



Metropolitan Transportation Commission

# 2002

Annual Report

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# We are three agencies in one

## with a shared mission: to keep the Bay Area moving

We started out in 1970 as a state-chartered, single-purpose agency charged with mapping the transportation future of the nine-county San Francisco Bay Area. As we matured and proved our mettle, and as the region grew larger and its problems more complex, our mandate likewise expanded. Today we are three agencies in one, with a broad portfolio of duties and a shared mission: to knit the region's 4,000 buses, trains and ferries, 1,400 miles of highway, 20,000 miles of local streets and roads, and eight toll bridges into a smooth-functioning network that gets the region's nearly 7 million residents where they need to go, when they need to get there.

**mtc** **Metropolitan Transportation Commission** Planner, coordinator, manager and banker — MTC serves all of these roles for the Bay Area's diverse and far-flung transportation network. A pioneer in new transportation technologies, MTC sponsors a number of innovative programs to smooth commutes and take the kinks out of intersystem travel, including the 511 traveler information project and TransLink® transit smart card. And through our Transportation for Livable Communities initiative, we are helping to redraw the urban landscape.

**bata** **Bay Area Toll Authority** Bridges are a defining feature of this scenic region, spanning San Francisco Bay in breathtaking sweeps or with sturdy functionality. The task of ensuring that funding is adequate for the upkeep and expansion of the region's state-owned toll bridges falls to BATA, one of MTC's two alter egos. As BATA, we are currently directing a \$1.8 billion construction program to overhaul the aging spans and keep pace with ever-increasing transbay traffic.

**safe** **Service Authority for Freeways and Expressways** White tow trucks and yellow call boxes: These relatively low-tech traffic management tools yield big rewards when it comes to quickly clearing stalls and accidents and rescuing stranded motorists along area highways. A special branch of MTC — SAFE — oversees the region's network of 3,500 call boxes as well as the 74 trucks and 140 specially trained drivers comprising the Freeway Service Patrol.

# We are making strides in the face of fiscal uncertainty

Though a sluggish economy and dwindling state revenues cast a pall over the year, MTC nevertheless made great strides in 2002 on a number of initiatives aimed at improving the operation and sophistication of the Bay Area transportation system. There was even some good news on the financial front, as MTC's Bay Area Toll Authority took advantage of record low interest rates to limit our future debt obligations and maximize the funding that is fueling a new era of bridge building.

In the pages that follow, we present snapshots of MTC's efforts to tame traffic, promote travel options, revitalize communities, plan for the next generation, and expand and upgrade the region's infrastructure. What emerges is a portrait of a public body deeply engaged in all facets of Bay Area transportation and committed to moving *people* rather than simply moving *vehicles*.

I would like to highlight in particular a quartet of technology-driven, customer-oriented products that make it easier and more convenient to get around the Bay Area — whether by car, transit, bike or foot. In a couple of cases, the reception has been so overwhelming that we've frankly been surprised by the demand.

The star of our high-tech, high-touch toolkit is the **TransLink® universal smart card**, which drew rave reviews from the 3,000-plus transit riders who tested the fare-payment system during the demonstration phase that began in February 2002. Bay Area public transit agencies are now moving toward full rollout of the TransLink® system across their route and station networks.

Launched in December 2002 as a successor to the TravInfo® system, the **511 traveler information service** is a joint effort by MTC, Caltrans, the California Highway Patrol and dozens of other partners to provide up-to-the-minute, on-demand information 24/7 — via the Web or toll-free phone access — on traffic conditions as well as public transit routes, fares and schedules.

MTC's **TakeTransitSM online transit trip planner** is proving to be a spectacular success as well. Honored with a Tranny Award by the California Transportation Foundation in May 2002, the innovative Web service served up its millionth personalized transit trip itinerary in June, and passed the 2 million milestone by the end of







the year. During 2003, TakeTransit<sup>SM</sup> will be expanded to include route and fare information for every Bay Area transit operator and will migrate to the Web portal established by MTC as part of its new 511 traveler information service ([www.511.org](http://www.511.org)).

Also in 2002, we negotiated an agreement with Caltrans and the Golden Gate Bridge District to establish a single customer service center for the **FasTrak<sup>TM</sup> electronic toll collection system** that has been installed on all Bay Area toll bridges. The center will consolidate the separate operations now in place for the Golden Gate Bridge and the Bay Area's seven state-owned toll bridges. At the same time, we are pushing the FasTrak<sup>TM</sup> envelope by adapting this same technology to track vehicle speeds along area freeways — with the goal of feeding more accurate travel times to commuters via the 511 system.

To manage complex, interagency projects like 511 and TransLink<sup>®</sup>, MTC has adopted innovative strategies such as the use of design-build-operate-maintain (DBOM) contracts that share both the burdens and the rewards of successful project implementation and maintenance with the contractor. The recent transfer of the FasTrak<sup>TM</sup> system to MTC's portfolio of duties is testimony to the confidence our partners have in MTC's ability to oversee and deliver cutting-edge projects costing in the tens of millions of dollars.

A few other 2002 milestones stand out. MTC joined forces with nine separate transit agencies to commence the deployment of a new fleet of regional express buses. MTC's Bay Area Toll Authority (BATA) teamed with Caltrans to break ground on a new eastern span for the San Francisco-Oakland Bay Bridge — a project that has been 14 years in the making. BATA and Caltrans also marked the completion of the San Mateo-Hayward Bridge widening, which came in ahead of schedule and on budget.

Looking ahead, we are keenly aware that economic uncertainty still clouds the horizon. Brightening the outlook, however, are legislative efforts at both the state and federal levels that would boost transportation revenues. In Washington, Congress is set to consider a new, six-year transportation spending plan in 2003, and we're rooting for a significant bump in funding. Legislators in Sacramento, meanwhile, are considering several new transportation measures, including an MTC-endorsed bill by Sen. Don Perata that would — with voter approval — increase tolls by \$1 on state-owned Bay Area bridges to fund a variety of congestion-busting projects. MTC will work hard in both capitals to win passage of these measures, and we will work hard here at home with all our transportation partners to continue making strides in our constant campaign to keep the Bay Area moving.

A handwritten signature in black ink, appearing to read 'Steve Heminger', is positioned above the name and title.

Steve Heminger  
*Executive Director*

# We are taming traffic with new technologies and innovative management

With cars and trucks accounting for more than 80 percent of all trips taken each day in the Bay Area, keeping traffic moving is one of MTC's most important responsibilities. Recognizing that there are limited funds to expand the region's roadway network, MTC tries to get the most out of the highways, bridges, streets and roads we already have.

## A UNIFIED TRANSPORTATION NETWORK

To meet the mobility challenge, MTC works to ensure not only that each piece of the regional transportation system works as efficiently as possible but that the components mesh smoothly to create a unified network. This "system management" approach involves everything from monitoring traffic conditions and speeding the response to incidents to giving drivers the information they need to make smarter travel decisions.

The effort to make Bay Area travel easier and more convenient stretches across multiple jurisdictions, requiring MTC to work in concert with many other transportation agencies. To cite one example, the head of MTC and the regional chiefs of the California Highway Patrol (CHP) and the California Department of Transportation (Caltrans) meet regularly as the Freeway Management Executive Committee to coordinate efforts, make the best use of existing resources and capitalize on advances in technology.

## NEW FREEWAY PROGRAM A "CLEAR" SUCCESS

MTC, Caltrans and the CHP recently put their new emphasis on freeway operations to the test on a 16-mile stretch of Interstate 80 in the East Bay. Dubbed CLEAR, for "clearing lanes efficiently and rapidly," this demonstration project featured beefed-up patrolling by the Freeway Service Patrol (see page 6) and the CHP, which during commute periods assigned some officers the sole task of responding to and clearing freeway incidents. MTC teamed with Caltrans to provide up-to-the-minute traffic reports via changeable message signs and the new 511 traveler information system (see page 7). The result — a 16 percent reduction in the



*The region's roving tow truck fleet celebrated its 10th anniversary by revving up operations. The 74 trucks of the **Freeway Service Patrol** now cover some 450 miles of Bay Area freeways and expressways.*

*Morning viewers who tune in to local television stations can catch **traffic reports** delivered from the Transportation Management Center by a CHP officer.*



*235,000 motorists are using the **FasTrak™** electronic toll collection system to cross Bay Area toll bridges, eliminating the need to stop and pay cash. About one-quarter of all transbay bridge tolls are now paid via FasTrak™.*



***Freeway Service Patrol** drivers have made over 1 million stops to clear accidents, remove debris and help stranded motorists.*







*Changeable electronic message signs relay up-to-the-minute information to motorists on road conditions, closings and alternate routes.*



*Each month, 5,000 motorists in the Bay Area use **call boxes** to summon help. MTC will be upgrading to an all-digital system with improved access for hearing-impaired travelers.*

*Overhead antennas will track traffic speeds as cars equipped with **FasTrak™** transponders pass by anonymously. Using the data, travel times will be computed and disseminated via the new 511 traveler information service.*



*Thanks in part to MTC's **Traffic Engineering Technical Assistance Program (TETAP)**, half of the Bay Area's 7,000-plus traffic signals now operate in coordinated systems.*



time needed to reopen affected lanes on this heavily traveled stretch of roadway — was impressive enough to warrant expanding the CLEAR program to cover the entire Bay Area. The CHP already has boosted to 36 the number of officers assigned to the program.

### **FASTRAK™ ACCELERATES INTO FUTURE**

Now an established fixture at each of the 76 toll lanes on the Bay Area's eight toll bridges, the FasTrak™ electronic toll collection system is easing congestion and speeding travel by allowing motorists to drive through the toll plaza without having to stop and pay cash. During peak commute hours, more than twice as many vehicles can flow through the toll plaza on dedicated FasTrak™ lanes as can be accommodated on lanes staffed by toll collectors.

To use the system, motorists establish a FasTrak™ debit account, and receive a transponder to attach to their windshields. As drivers roll through the toll plaza, the toll is automatically deducted from their accounts.

MTC's Bay Area Toll Authority (BATA) is now working with Caltrans and the Golden Gate Bridge, Highway and Transportation District to consolidate the agencies' separate FasTrak™ operations into a single customer service center that will be managed by BATA beginning in January 2004, and to launch both operational improvements and a new marketing effort to encourage more drivers to switch from cash to FasTrak™.

### **CALL BOX PROGRAM STREAMLINED**

Since half the congestion on Bay Area freeways can be attributed to accidents, stalls or other incidents, a quick response to roadway emergencies is critical to keeping the traffic moving. On the job 24/7 is the region's network of yellow roadside call boxes, which MTC oversees in its role as the Service Authority for Freeways and Expressways (SAFE). The call boxes automatically connect callers with dispatchers who can summon help in case of emergency.

Not surprisingly, however, the proliferation of personal cell phones has led to a steady decline in usage of the call boxes. So MTC in 2002 adopted a *Strategic and Financial Plan* that calls for streamlining the 14-year-old call box network. Over the next several years, about one-third of the roughly 3,500 call boxes now installed along highway shoulders will be removed, with the savings applied to major improvements to benefit the backbone network that will remain.

Increasing the distance between many call boxes to one mile (from the quarter-mile or half-mile intervals now common) will save approximately \$4 million in maintenance costs and other expenses over the next five years. The savings will be used to finance upgrades such as converting the cellular systems in the streamlined call box network from analog to digital, and improving access for hearing-impaired and physically challenged motorists.

## We are taming traffic...

### PATROL SERVICE ADDS MILES AND TRUCKS

Jointly managed by MTC's Service Authority for Freeways and Expressways, Caltrans and the California Highway Patrol, the Freeway Service Patrol (FSP) is a fleet of 74 tow trucks and auxiliary vehicles representing the advance force in the Bay Area's battle against congestion. The FSP, which celebrated its 10-year anniversary in 2002, patrols the most congested freeways in the region — primarily during commute hours — helping motorists with car trouble (free of charge), quickly clearing accidents and removing debris from the roadway.

A series of phased increases in service during 2002 added three more segments of coverage or "beats," extended several existing beats, put seven more trucks on the road and increased the FSP's regionwide network to 450 miles from the previous 394 miles. Sunday service was inaugurated on several new and existing beats as well. The FSP now makes about 9,000 assists each month.

### TIMED SIGNALS EASE STOP-AND-GO TRAFFIC

MTC established the Traffic Engineering Technical Assistance Program (TETAP) in 1993 to smooth traffic flows on major arterials. Through TETAP, consultants retained by MTC work with cities and counties to coordinate signal timing both within and between jurisdictions. They also can assist with other traffic engineering projects, including pedestrian and bicycle projects. In calendar year 2002, 25 separate TETAP projects were completed. MTC is on track to retime 1,000 signals a year starting in 2003-04.

### BRINGING MORE BRAIN POWER TO SMART CORRIDORS

Freeways, major arterials, bus routes, light-rail lines — a travel corridor is comprised of all these people-moving assets. Add the capacity to track conditions (via closed-circuit cameras, for example) and share them with travelers (using changeable message signs or other devices) and you have the makings of a "smart" corridor. By using real-time data to change traffic-signal timing, for example, transportation engineers can boost a corridor's IQ and better manage traffic flows. Travelers can be directed toward under-used facilities and away from overcrowded ones, greatly enhancing the efficiency and overall carrying capacity of the corridor.

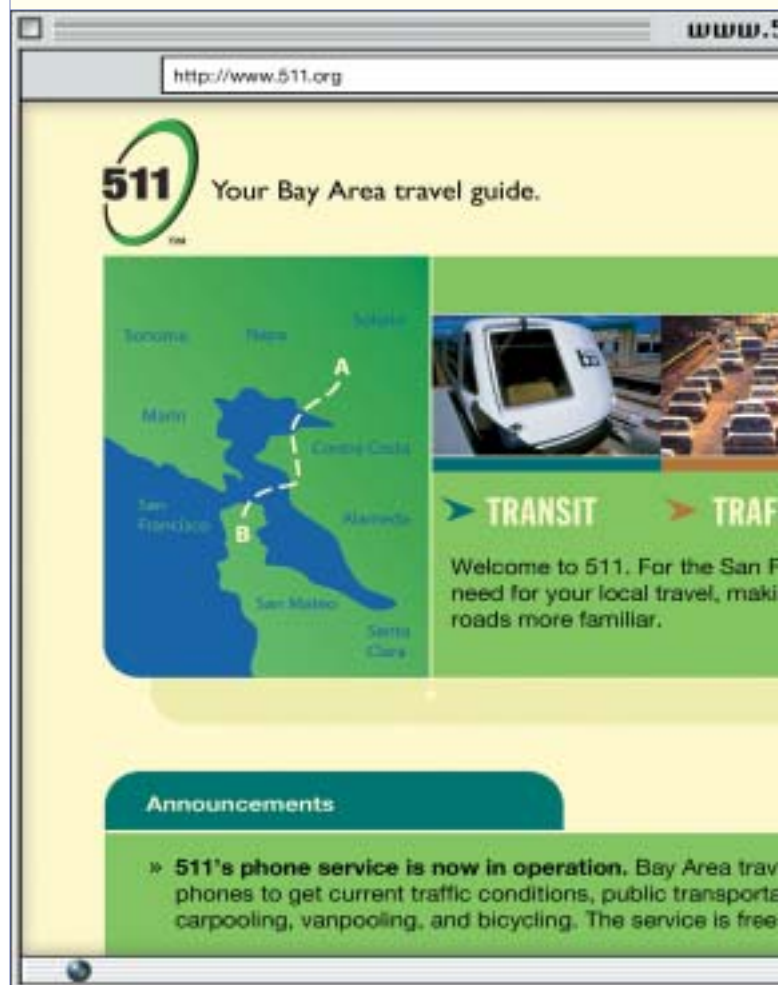
In the Bay Area, local authorities are deploying these intelligent tools in four key travel corridors: Silicon Valley; San Francisco; Interstates 80 and 880 from Hercules in Contra Costa County to Union City in Alameda County; and Interstate 580 through Dublin, Pleasanton and Livermore. To encourage these efforts and to strengthen alliances in the battle against congestion, MTC established a Smart Corridor Task Force in 2002.

At "mission control" for the Bay Area freeway system, several giant **closed-circuit television monitors** and a host of smaller screens allow Caltrans, CHP and 511 staff to assess conditions along key corridors 24/7.



MTC teams with the California Highway Patrol and Caltrans — as well as transit agencies and other **partners** — on numerous projects that keep the Bay Area on the move.

The **511 traveler information service** was officially launched in December 2002. The service provides on-demand information, via phone and the Web, about public transit, traffic, carpooling, vanpooling and bicycling.







511 can be accessed from most conventional Bay Area telephones and major wireless carriers.

The **Smart Corridors** initiative uses advanced technology to help cities and counties better orchestrate traffic flow in key corridors.



Roadside signs remind motorists that MTC's new 511 service makes it easy to get the information needed to make smarter travel choices, such as transit schedules and traffic conditions.



## 511 MAKES TIMELY DEBUT



Success in the daily battle against congestion requires motorists to make smart choices about when and where they drive, or even whether to drive at all. In December 2002 MTC partnered with Caltrans, the California Highway Patrol (CHP), dozens of the region's public transit and paratransit providers, and RIDES for Bay Area Commuters, Inc. to unveil the new 511 service to provide up-to-the-minute, on-demand information — via phone and the Internet at [www.511.org](http://www.511.org) — for drivers, carpoolers, transit riders and bicyclists throughout the region.

Taking its place alongside 411 and 911, the toll-free 511 phone service features a state-of-the-art, voice-activated system for hands-free convenience. Callers can get the most current reports on road conditions and traffic incidents for the precise routes they travel, as well as fare and schedule information from nearly three dozen public and private transit operators in the Bay Area, 20 providers of paratransit services for elderly and disabled riders, and nine transit agencies in adjoining regions. Information on carpooling, vanpooling and bicycling is available as well.

News about road construction, accidents, stalls or other incidents is updated frequently using sources such as Caltrans' Traffic Operations System and the CHP's computer-aided dispatch system. The nerve center of the 511 system is the MTC-funded (and newly rebuilt) 511 Traveler Information Center, which is tied in to the adjacent Caltrans Transportation Management Center (TMC) in downtown Oakland. The TMC also serves as the set for broadcasts used by local TV stations to supplement their morning and evening traffic reports. The broadcasts star a CHP officer and feature a prominent on-screen 511 logo to remind viewers where to turn for more in-depth traffic reports.

Data collection and dissemination — as well as marketing — for the 511 system is handled by PB Farradyne Inc. under an innovative design-build-operate-maintain (DBOM) contract managed by MTC. Terms of the six-year contract give PB Farradyne incentives for meeting data quality, system usage and customer satisfaction goals. This arrangement spurs continuous improvement of the 511 system.

Beginning in 2003, both the 511 phone service and the [www.511.org](http://www.511.org) Web site will provide actual travel times from point to point along key freeway routes. This data will be gathered via FasTrak™ toll collection transponders and a network of electronic roadside antennas. By tracking transponders as they pass successive readers, the system will compute the average speed and travel time for each segment. To ensure privacy, each FasTrak™ transponder's identification number will be encrypted before any other information is processed, and the data discarded every day.

Travel-time data initially will be available for Interstate 80 between the San Francisco-Oakland Bay Bridge and Fairfield, with a phased expansion to other corridors around the region.

# We are promoting travel options and making it easier to leave your car at home

MTC's mission to improve mobility throughout the Bay Area includes a commitment to providing a balanced transportation system that ensures viable options for all travelers — not just motorists. In fact, through the *Regional Transportation Plan*, MTC directs a greater share of funds (77 percent) to public transit than does any other major metro area in the U.S. Additional funds are committed to bicycle and pedestrian projects, and to carpool/vanpool programs. To generate the highest possible mobility yield, MTC supplements these investments in alternative modes with numerous high-tech, high-touch programs designed to make it safer, easier and more convenient to ride transit, walk, bicycle or carpool.

## TRANSLINK® ON TRACK FOR FULL ROLLOUT

A cornerstone of MTC's efforts to stitch together the Bay Area's numerous transit systems into a seamless, passenger-friendly network is the high-tech TransLink® transit-fare payment smart card, which was tested in 2002 by more than 3,000 riders on six of the region's largest transit systems — AC Transit, BART, Caltrain, Golden Gate Transit, San Francisco Muni and Santa Clara County's Valley Transportation Authority.

The six-month Phase I demonstration was a resounding success — with very high customer satisfaction, equipment that worked as intended, and an accounting system that accurately and automatically settled 99.9 percent of all transactions. The system worked so well that each of the transit agencies participating in the pilot program agreed to continue accepting TransLink® cards. Each of the agencies' boards is expected to vote in 2003 on Phase II of the TransLink® program, which involves full rollout of the system throughout their route and station networks. Many of the Bay Area's other transit operators are expected to join the TransLink® system as



The **transitinfo.org** Web site is home to MTC's TakeTransit<sup>SM</sup> online transit trip planner, which has delivered more than 2 million personalized transit trip itineraries.

The **TransLink®** transit-fare payment smart card packs a tiny computer chip with eight kilobytes of memory — enough power to ride multiple transit systems around the Bay Area.



More than 4,000 people are now using TransLink® to pay their transit fares. By the end of 2002, the high-tech system had logged more than **300,000 transactions**.

TransLink® cardholders already account for 10 percent of all riders on the **Golden Gate Ferry** system.



Whether using a freestanding card reader or a BART ▶ station turnstile (right), TransLink® customers just **tag and go**, without fumbling for change or transfers.



well. Technical implementation of both Phase I and Phase II is being handled by Motorola Inc. and their subcontractor, ERG Ltd., under a design-build-operate-maintain (DBOM) contract with MTC that gives the contractor a financial incentive to maintain the customers' and transit agencies' satisfaction.

#### **TRANSITINFO.ORG PLAYS HOST TO MILLIONS**

Accessed by more than 6.4 million computer users in 2002, the San Francisco Bay Area Transit Information Web Page draws more fans than the Giants and A's combined.

The Transit Information Web Page — [www.transitinfo.org](http://www.transitinfo.org) — is like an expanded, interactive edition of MTC's in-demand *Getting There on Transit* brochure, providing schedules, fares and route maps for more than 60 public and private transit operators, including paratransit providers (taxi and van services for elderly and disabled riders), shuttle services and operators connecting the Bay Area with adjacent counties. The Web site also serves as the host for the popular online transit trip planner that MTC added in 2001 (see article below).

During 2003, the Transit Information Web Page will migrate to [www.511.org](http://www.511.org), which will consolidate into a single, convenient Web portal public transit, traffic, bicycling, carpooling and vanpooling information now found scattered among many different sites.

#### **TAKETRANSIT<sup>SM</sup> EARNS RAVE REVIEWS**

The high-flying '90s may have landed with a crash, but spectacular growth numbers can still be found in one corner of the Bay Area technology scene: the TakeTransit<sup>SM</sup> trip planner on MTC's Transit Information Web Page. The trip planner, which generates custom-tailored itineraries for transit trips around the Bay Area, went online in July 2001 and delivered its millionth itinerary on June 24, 2002. Barely six months later — on Dec. 29, 2002 — the service hit the 2 million milestone.

Computer users simply type in the address, intersection or landmark from which they're departing, and where they're bound, and TakeTransit<sup>SM</sup> tells them which routes to take, where and when to board, where to transfer if necessary, and where to disembark. It also calculates the correct fare for each leg of the trip and can provide a detailed walking map (via a newly upgraded computer application) to help travelers reach their final destinations. The success of TakeTransit<sup>SM</sup> earned MTC a 2002 Tranny Award from the California Transportation Foundation.

TakeTransit<sup>SM</sup> currently has route, fare and schedule information for 21 bus, train, ferry and light-rail operators around the Bay Area. By the end of 2003, the system will migrate to MTC's new [www.511.org](http://www.511.org) Web portal and be expanded to include every public transit agency in the nine-county region. On average, the trip planner generates about 7,000 itineraries per day. The system also is being used by the telephone information centers operated by the transit agencies themselves, making the TakeTransit<sup>SM</sup> service available to those who don't have access to the Internet.



## We are promoting travel options...

### REGIONAL EXPRESS BUS PROGRAM PULLS INTO FAST LANE

The first coach in a 94-strong fleet of new express buses began whisking travelers around the Bay Area in September 2002, taking advantage of the region's growing network of carpool lanes to transport commuters quickly and — with rider-friendly features such as reclining seats, overhead luggage racks and individual reading lights — in comfort and style.

By fall 2003, nine Bay Area transit agencies will be deploying the state-of-the-art, low-emission buses on a coordinated system of new and established Regional Express Bus routes that MTC developed in 2001 to help close gaps in the regional transit network. Early 2003 saw AC Transit inaugurate service on one new express route: the M line, which is providing weekday commute-period service across the San Mateo-Hayward Bridge, linking the Castro Valley and Hayward BART stations in the East Bay with key locations in Foster City and San Mateo on the Peninsula.

MTC, which coordinates the Regional Express Bus network, used \$40 million from the governor's Traffic Congestion Relief Program to finance the new generation of buses.

### NEW PUSH TO IMPROVE TRANSIT CONNECTIONS

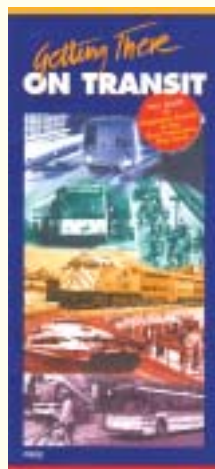
Building on the success of public transit coordination efforts such as 511, TransLink® and the Regional Express Bus Program, MTC in late 2002 redoubled its efforts to make using transit more convenient throughout the Bay Area. Goals for the Regional Transit Connectivity Initiative include improving signage, customer information, and access to stops and stations, with the aim of smoothing transfers among the region's many bus, rail and ferry systems.

### REGIONAL RIDESHARING PROGRAM GETS HIGH-TECH UPGRADE

According to a 2002 survey by RIDES for Bay Area Commuters, Inc., 17 percent of commuters in the nine-county region regularly participate in a formal or informal carpool or vanpool. Many of them discovered their "carpool partners" via regional rideshare services offered by MTC through its contracts with RIDES for Bay Area Commuters and Solano/Napa Commuter Information.

To make carpooling a more attractive alternative to driving alone, MTC and its partners are using the Internet to simplify the ridematching process. By late 2002, commuters could log on to MTC's new [www.511.org](http://www.511.org) Web site, click on the "ridesharing" button and find their own carpool partners. Thanks to geographic information systems (GIS) software that maps potential matches, computer users just click on the closest match on the map and make arrangements via e-mail.

*MTC kicked off its new  
Regional Express  
Bus Program with a  
September 2002 news  
conference at the  
Bishop Ranch Business  
Park in San Ramon.*



*Now in its sixth printing,  
MTC's free, pocket-sized  
guide, **Getting There on  
Transit**, shows bus, rail  
and ferry service up and  
down the Bay Area.*

*The Regional Transit Connectivity Initiative  
promotes seamless transit service  
by improving transit con-  
nections throughout  
the Bay Area.*

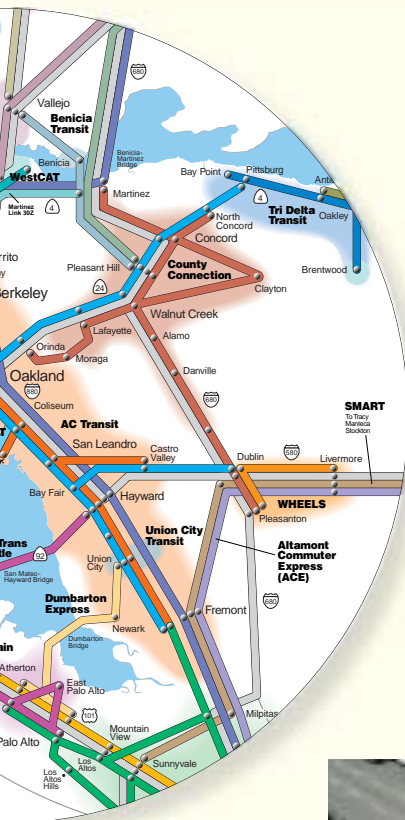


*MTC's new [www.511.org](http://www.511.org) Web site features  
a new **online ridematching tool** to make  
carpooling easier than ever.*

*With the Bay Area's  
senior population at  
more than 700,000  
and growing, MTC  
undertook the **Older  
Adults Transportation Study**.*



The express buses are built for comfort with high-back seats, individual reading lights and power sockets.



Thousands of middle and high school students in the East Bay are now eligible for free AC Transit youth passes as part of a two-year pilot program funded in part by MTC.

The Regional Pedestrian Committee is studying "scrambler" signals that give pedestrians priority at busy intersections.



MTC provides technical assistance to help cities and counties make their streets and roads safer for drivers, walkers and bike riders.

## REGIONAL PEDESTRIAN COMMITTEE PUTS BEST FOOT FORWARD

Here's something to think about during your commute: The most popular alternative to driving is walking, which accounts for about 9 percent of all trips in the Bay Area. And, although pedestrians are involved in only 3 percent of all collisions in California, they account for 20 percent of the fatalities. Put those two sets of statistics together, and you have the foundations for a new pedestrian safety initiative at MTC.

In 2002 MTC established the Regional Pedestrian Committee — made up of pedestrian advocates, planners, traffic engineers, transit operators, public health workers and municipal public works staff. MTC is working with the group to develop better data on pedestrian safety, and to explore a growing menu of techniques to make walking a safe and attractive option for more trips, including traffic calming streetscapes, illuminated crosswalks, countdown signals and pedestrian "scramblers" at key intersections that give all vehicles a red light, allowing walkers to move in any direction — even diagonally.

The most promising options will find their way into a toolkit that MTC is preparing for distribution to local jurisdictions. And in a pilot technical assistance program, MTC is providing engineering expertise to four cities with high collision rates with the goal of making their streets safer for both bicyclists and pedestrians.

## STUDENTS TEST BUS PASS PROJECT

As part of its effort to address the impact of transportation costs on members of low-income communities, MTC has committed up to \$2 million to provide free bus passes to qualifying middle and high school students in the East Bay. The two-year pilot program is aimed at increasing students' attendance at school and after-school activities. The program includes two components: implementation and evaluation of a demonstration project in the AC Transit service area during the 2002–03 and 2003–04 school years, and evaluation of reduced-fare programs already adopted by other transit agencies in the Bay Area and elsewhere.

## HELPING OLDER ADULTS GET OUT AND ABOUT

Anticipating the rapid growth of the senior population in the Bay Area, MTC is looking at ways to improve travel options for older adults — particularly those who cannot or choose not to drive. MTC and its Elderly and Disabled Advisory Committee hosted a 2002 summit to unveil the *Older Adults Transportation Study*, which documents demographic projections and assumptions regarding mobility of older adults, identifies barriers that prevent seniors from using transit, and recommends a regional strategy for senior mobility. Following up on the summit, the Commission is putting together a toolkit that will profile model programs for senior mobility.



# We are **expanding and upgrading** the region's infrastructure

Job one for MTC and its Bay Area Toll Authority (BATA) offshoot is keeping Bay Area roads and bridges in good working order — and making sure that the network can handle population and traffic growth in the years ahead. The agency is the driving force behind major undertakings like the building of striking new bridges as well as more mundane but crucial tasks such as paving roads in a cost-effective manner. Our goal: to expedite mobility while protecting the huge public investment in the region's transportation network.

## **SAN MATEO-HAYWARD BRIDGE WIDENING COMPLETED AHEAD OF SCHEDULE**

In November 2002, the widening of the San Mateo-Hayward Bridge became the first of several major Bay Area bridge projects to be finished as part of Regional Measure 1 (RM 1) — the 1988 voter-approved ballot measure that raised tolls on the region's seven state-owned toll bridges to a uniform \$1 to pay for a package of transportation improvements.

Completion of the San Mateo-Hayward Bridge project came two months ahead of schedule and signaled the accelerated progress being made on RM 1 projects since BATA assumed responsibility for their administration. The opening of new lanes on the low-rise section of the span means that the lane configuration of that portion of the bridge now matches the high-rise portion, easing commutes for the tens of thousands of travelers who cross this stretch of State Route 92 each day.

The seven-mile-long bridge now features three lanes all the way across, with new shoulders along the low-rise section to simplify the clearing of stalls and accidents. The widening in the eastbound direction opened to traffic in January 2003, following the restriping of lanes, removal of a median barrier and the addition of 86 new call boxes, courtesy of MTC's Service Authority for Freeways and Expressways.

A new pedestrian/bicycle overcrossing of State Route 92 on the Hayward side of the bridge provides improved north-south access for the existing Bay Trail — which currently

*Federal, state, and local dignitaries recently gathered near the eastern foot of the **San Mateo-Hayward Bridge** to celebrate the opening of new lanes on the low rise section of the span.*



*The **San Mateo-Hayward Bridge** widening project increased the number of lanes on the flat trestle section from two to three in each direction to match the configuration of the high-rise section.*





*Travelers crossing the Carquinez Strait have been treated to glimpses of prefabricated steel roadway sections being lifted into place on the new Carquinez Bridge.*



*More than 100 eight-foot-diameter steel piles driven deep into the Carquinez Strait will provide the seismically safe support structure for the new Benicia-Martinez Bridge.*

*Carquinez Bridge crews recently finished spinning the two main cables for the new suspension span.*



stretches 230 miles and will ultimately ring the entire Bay. Toll bridge revenues administered by BATA are helping to complete the scenic route.

As part of the effort to improve traffic flow and to relieve congestion on the approaches to the San Mateo-Hayward Bridge, another RM 1-funded project will reconstruct the Interstate 880/State Route 92 interchange. While still in environmental review, the current preferred alternative would replace the existing, outdated cloverleaf interchange with an interchange featuring direct connectors.

## **CARQUINEZ BRIDGE HEADS TOWARD 2003 OPENING DATE**

A striking suspension span to replace the aging westbound portion of the Carquinez Bridge is taking shape with breathtaking speed. Construction began in 2000, and as of late spring 2002, the new span's two 430-foot towers were complete. In short order, crews were spinning the 13,000 miles of steel wire making up the suspension cables and hoisting the 24 massive prefabricated steel segments forming the deck.

MTC is funding the \$480 million RM 1 project (a figure that includes reconstructing the Crockett interchange and dismantling the old bridge) in its role as the Bay Area Toll Authority. The new bridge will add a traffic lane — for a total of four westbound lanes — as well as a new pedestrian/bicycle lane. It is being built just west of the existing 1958 span, which has been retrofitted as part of Caltrans' seismic program.

The Bay Area's first new suspension bridge in seven decades — and the first suspension bridge of this magnitude built anywhere in the United States in the last 30 years — is expected to open to traffic in October 2003.

Local citizens are planning a major celebration to inaugurate the new bridge, which is being named for the late Al Zampa, a native son of Crockett and an ironworker who helped build the original 1927 Carquinez Bridge as well as the San Francisco-Oakland Bay and Golden Gate bridges.

## **BENICIA-MARTINEZ BRIDGE PROJECT CLEARS ENVIRONMENTAL HURDLE**

Construction of the new Benicia-Martinez Bridge has resumed, following a two-month hiatus in 2002 brought about by an unforeseen side-effect of pile-driving in the deep waters of the Carquinez Strait.

Crews were idled while state and federal environmental resource agencies joined with Caltrans and MTC to look for a way to protect fish in the strait from lethal sound waves caused by pounding the 160-foot piles that will form the foundations of the new span. The solution to the problem was an ingenious "bubble curtain," generated by large air compressors, that contains the noise and damaging shock waves.

The actions taken to protect the fish and other, unrelated construction issues have delayed the project by 12 to 18 months and added costs of up to \$250 million. The escalated

## We are expanding and upgrading...

costs could be partially paid for out of a proposed bridge toll increase being pursued by state Sen. Don Perata and by other available funding in the RM 1 toll bridge program.

In the meantime, Caltrans finished seismic retrofit of the existing bridge in 2002, and work crews have been busy with other aspects of the new bridge project, including reconstruction of the Interstate 680/Interstate 780 interchange, widening of the I-680/Marina Vista interchange and expansion of the toll plaza.

The new Benicia-Martinez Bridge is designed to carry five lanes of northbound traffic — more than doubling the current capacity of the I-680 connector between Solano and Contra Costa counties. Once the new bridge is completed in early 2006, the existing span will be converted to four southbound lanes with shoulders plus a new bicycle and pedestrian pathway.

### BAY BRIDGE EAST SPAN CELEBRATION MARKS START OF CONSTRUCTION

Construction of the new east span of the San Francisco-Oakland Bay Bridge — one of the largest projects in Caltrans' history — officially commenced in late January 2002 when Gov. Gray Davis and a number of other state and local dignitaries signed a ceremonial pile at a press conference and celebration cosponsored by MTC.

"We are beginning construction of what is arguably the safest bridge in the world," Davis told the crowd of several hundred gathered at a spot on Treasure Island that affords a stunning view of the existing east span and of the construction now under way.

The Bay Bridge opened for traffic in 1936, and currently carries an average of 280,000 vehicles a day. In 1989, the powerful Loma Prieta earthquake collapsed a section of the structure's east span. Although the bridge was quickly repaired, the event prompted Caltrans to pursue a replacement that would meet current seismic standards. MTC spearheaded the design selection and public review process for the new span in the late 1990s, and has worked steadily since that time to resolve the political and financial uncertainties that come with such a landmark project.

Running from Yerba Buena Island to Oakland, the new structure will feature a self-anchored, single-tower suspension span across the shipping channel, then transition to a graceful skyway. Whereas the current bridge is double-decked, the replacement will feature side-by-side decks, affording drivers panoramic views of the San Francisco skyline and the East Bay hills. A 15-foot-wide bicycle and pedestrian path will run along the eastbound deck of the 2-mile-long structure.

Construction of the causeway section of the east span is well under way and is expected to be finished in the summer of 2006. The signature suspension portion of the new span is tentatively scheduled for completion in 2007.

At a January 2002  
press conference,  
**Governor Gray Davis**  
pledged to complete  
construction of the  
new east span of the  
San Francisco-Oakland  
Bay Bridge in just  
five years.



Against the backdrop  
of the existing  
Bay Bridge, fireboats  
saluted the **kickoff**  
of construction for  
the new east span.

The Bay Bridge's new  
east span is destined  
to become a distinctive  
landmark for the San  
Francisco Bay Area.







*The Richmond-San Rafael Bridge is undergoing much-needed upgrades that will make the ride for motorists smoother and safer.*



*Nearly all of the Bay Area's 110 cities and counties are now using MTC's "StreetSaver" pavement management system to help take care of their streets and roads.*

*A voter-approved toll hike and a special seismic toll surcharge are fueling the new era of bridge building in the Bay Area.*



## **RICHMOND-SAN RAFAEL BRIDGE REHAB AND RETROFIT UNDER WAY**

Concrete barriers and changeable message signs warning of lower speed limits have become familiar features to motorists driving across the Richmond-San Rafael Bridge, and are likely to remain so for some time as the first of two vital RM 1 improvement projects and Caltrans seismic retrofit work continue to go full speed ahead.

As part of the first RM 1 project, foundations are being built for new, low-rise trestles to replace existing structures on the western approach to the bridge. The next step will be to install prefabricated concrete deck sections on the western approach to the bridge during night-time lane closures. Concurrently with the trestle construction, crews are working to strengthen the bridge to withstand earthquakes, and the ship collision protection fenders at various bridge pier locations are being repaired.

Once these construction activities are completed in 2005, work will begin on a second RM 1 project: rehabilitation of portions of the existing deck along the entire length of the bridge itself. The riding surface of the span has been worn down by daily traffic and exposure to the marine environment over the nearly 50 years of the bridge's life.

## **PAVEMENT PROGRAM BRINGS "STREET SMARTS" TO BAY AREA COMMUNITIES**

While admittedly not as exciting as seeing a new bridge rise above the waters of the Bay, keeping local streets and roads in shape is key to preserving a community's overall quality of life. Helping cities and counties stay on top of this task is the goal of one innovative MTC program.

Based on the notion that an ounce of prevention is worth a pound of cure, MTC's "StreetSaver" pavement management system employs a computer-aided tool to improve the decision-making process and maximize the benefits of street and road repair investments. Used by 103 of the Bay Area's 110 cities and counties, StreetSaver helps jurisdictions rate their streets' pavement condition, establish a maintenance and repair schedule, and estimate how much money should be spent to upgrade their road networks.

While public works departments may be aware of the connection between neglected maintenance and increased costs, many don't have the staff, the money or the expertise to put a pavement management system into place. This is where MTC's Pavement Management Technical Assistance Program (P-TAP) comes in. By providing the services of consultants to set up and operate such a system, MTC helps cities track pavement conditions, establish optimum repair programs, identify the impact of budget decisions on pavement condition, and guide cost-effective use of existing funds. Available to all Bay Area jurisdictions, P-TAP provided assistance to 40 individual cities and counties in 2002.



# We are focusing on the future and growing smarter

As MTC plans for the anticipated mobility needs of the Bay Area, we're investing more in express buses, bicycle facilities and other environment-friendly transportation modes, and encouraging longer-term solutions like compact development. We've engaged the region's residents in a dialogue, soliciting their input in the most extensive public outreach effort in our history and using their responses to help guide our decisions and the shape of the region.

## PLANNING FOR THE NEXT 25 YEARS

How should some \$87 billion in anticipated federal, state and local transportation funds be spent in the nine-county region over the next 25 years? That is the question answered by the latest *Regional Transportation Plan* (RTP). While most of this money will be used to maintain and operate the street, highway and public transit systems that already are in place, the plan also calls for significant expansion of the Bay Area transportation network.

The 2001 RTP commits MTC to two major public transit initiatives: a new Regional Transit Expansion Program and a Lifeline Transportation Network for low-income residents (see page 21). In addition, the plan funds several high-profile congestion-relief projects and new bicycle and pedestrian facilities, and triples funding for "smart growth" programs that address urban sprawl and promote transit- and pedestrian-oriented development (see Transportation for Livable Communities, page 20).

In November 2002, the Commission amended the RTP to highlight strategies for increasing regional transit ridership by a specified amount by 2006 to comply with a recent federal court ruling. The court order has its roots in the Bay Area air quality plan, under which MTC sought to cut auto emissions by increasing transit ridership. Among the transit improvements expected to deliver these increases is Caltrain's Baby Bullet express service that will cut travel time from San Jose to

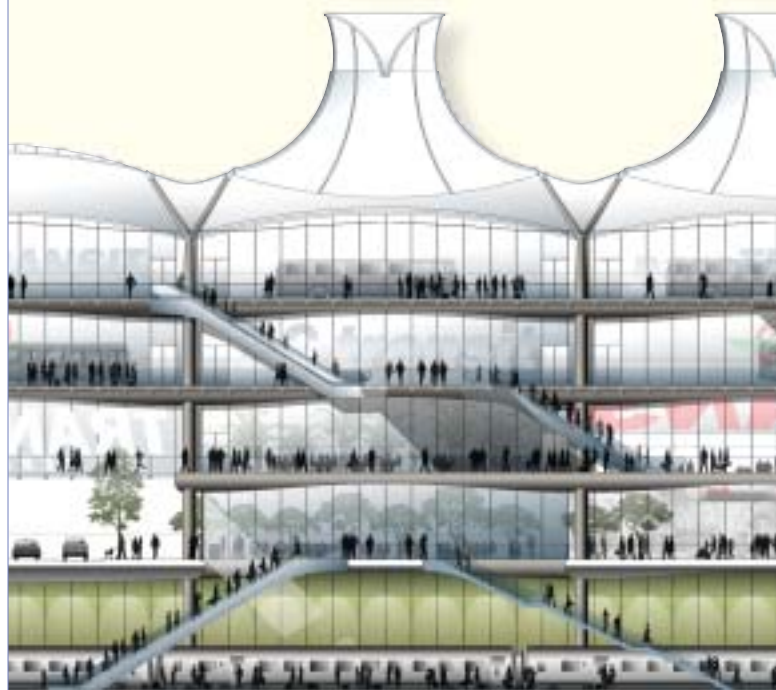


*The 2001 Regional Transportation Plan specifies how some \$87 billion in transportation funding will be spent in the Bay Area during the next quarter century.*

**Caltrain's Baby Bullet** express service will cut travel time from San Francisco to San Jose to less than an hour.



*The Regional Transit Expansion Program gives a boost to plans to extend Caltrain from its current San Francisco terminus (left) to the proposed new, multimodal four-story glass-and-steel Transbay Terminal (below).*



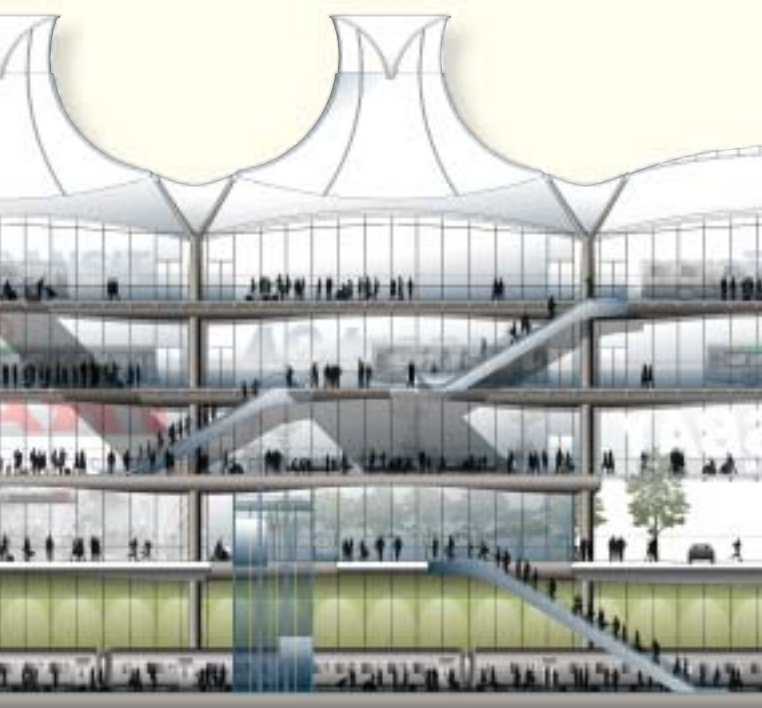


Adopted by the Commission in December 2001, the **Regional Bicycle Master Plan** identifies regional priorities for bicycle routes and facilities.

Planners are tracking the number of bicyclists who use existing bike routes with the goal of refining the **Regional Bicycle Master Plan**.



MTC envisions **140 new route miles of rail service** in the Bay Area over the next 25 years.



San Francisco to as little as 50 to 55 minutes, the expansion of express bus services in a number of travel corridors and the extension of BART service to San Francisco International Airport.

## RAIL AND EXPRESS BUS LINES TO PROLIFERATE

As part of the *Regional Transportation Plan*, the Commission adopted the Regional Transit Expansion Program (Resolution 3434), a multibillion-dollar investment package to expand the region's long-haul express bus and rail networks.

The rail improvements would reach every corner of the Bay region and beyond. Headlining the list are the extension of BART to San Jose and Santa Clara, and Muni's Central Subway extension of the Third Street light-rail line through downtown San Francisco to Chinatown. The program also envisions increased service along the Altamont Commuter Express rail route to Stockton and the Capitol Corridor rail line between Sacramento and San Jose. The long-planned extension to bring Caltrain 1.3 miles closer to downtown from its current San Francisco terminus also is a top funding priority of Resolution 3434.

The downtown Caltrain stop would become part of a new Transbay Terminal, an airy, glass-and-steel multimodal hub that evolved from an MTC study completed in 2001 and which is currently undergoing environmental review. The extended rail alignment would permit future high-speed trains to carry passengers into the heart of San Francisco.

Resolution 3434 also envisions an express bus component, with a fleet of state-of-the-art coaches plying the region's network of diamond lanes. Nearly 20 freeway corridors are targeted for new or expanded express bus service. In addition, the urbanized East Bay will see enhanced rapid bus service along some of the most crowded arterials.

In all, the Resolution 3434 program envisions some 140 new route miles of rail service and 600 route miles of express bus services in the region over the next 25 years, with more than 38 million new riders per year expected to take advantage of the enhanced system.

## BICYCLE PLAN IDENTIFIES GAPS

While many think of bicycling as simply a recreational activity, it has great potential for serving as a transportation mode for commuting, shopping and running errands. To make this potential a reality, safe, readily accessible bicycle facilities are needed. MTC took a step toward this vision with its *Regional Bicycle Master Plan*, which was incorporated into the RTP. It defines a network of regionally significant bicycle routes and facilities, identifies gaps in the network, estimates the cost of building out the entire regional network, and outlines a funding strategy.

As a follow-up to the master plan, a regional bicycle/pedestrian count was undertaken in the fall of 2002 at 100 different locations, each of which was close to a regional bike network



## We are focusing on the future...

route or to schools. The bicycle/pedestrian use “census” will serve as a baseline that will help identify any regional trends over time. Recounts in future years will document what effect nearby land uses — such as changes in housing density — and improvements in bicycle facilities have had on usage.

### TRANSBAY CONGESTION RELIEF

Planners expect a 40 percent jump in travel in the three southern bridge corridors running from the East Bay to San Francisco and the Peninsula between now and the year 2025. How to accommodate this surge was the subject of MTC’s 18-month-long Bay Crossings Study, which looked at a number of options, from operational improvements to a new mid-Bay bridge or tunnel.

The Commission adopted a two-tiered set of recommendations in July 2002. The first tier consists of near-term improvements that could be accomplished with existing resources and that would make carpooling and public transit more attractive and convenient — such as enhanced express bus service and additional loading and unloading zones for casual carpools.

The second tier includes several more ambitious proposals that could be funded with a \$1 hike in bridge tolls, including rehabilitating the Dumbarton rail bridge to accommodate commuter trains, additional improvements to carpool lanes on bridge approaches, greatly expanding transbay express bus service and increasing BART’s transbay capacity.

MTC, in conjunction with Caltrans, conducted a follow-up study on the possibility of a reversible lane on the San Mateo-Hayward Bridge, but the idea was found infeasible. Meanwhile, the Bay Area Water Transit Authority has submitted to the state Legislature its ferry expansion plan, a companion to the Bay Crossings Study.

### MAKING CARPOOLING MORE CONVENIENT

With a recent study showing commuters on some Bay Area free-ways can shave their travel times by as much as 40 minutes one way, more and more commuters are doubling or tripling up to use the region’s growing network of high-occupancy-vehicle (HOV) or carpool lanes. To build on this momentum — and to help ensure that the carpool lanes continue achieving their dual goals of congestion relief and emissions reductions — MTC in 2002 set out to update its *HOV-Lane Master Plan*.

The plan details a multitiered investment program that could add over 300 new miles of carpool lanes to the Bay Area’s existing 350-mile HOV-lane network by 2025. Other planned investments include the construction of freeway-to-freeway carpool lane connectors, new ramps to provide direct access to and from carpool lanes, major express bus stations in freeway medians, and a test of using freeway shoulders for express bus service at key bottlenecks.



*Efficient goods movement is key to the Bay Area’s role in national and international trade, and the focus of MTC’s **Regional Freight Study**.*



*The **Bay Crossings Study** offers several low-cost options for improving transbay travel.*



*MTC’s 2002 **HOV-Lane Master Plan** maps out a range of improvements that will benefit carpoolers as well as riders of the region’s growing fleet of express buses.*



Two years of public workshops spearheaded by five regional agencies including MTC resulted in the 2002 publication of a **smart growth vision** for the Bay Area.



The **Regional Smart Growth Strategy** will stem the loss of wetlands that are the native habitat of birds and other wildlife.



Preserving open space and agricultural lands is a fundamental goal of both the **Regional Transportation Plan** and the **Regional Smart Growth Strategy**.

More than half the funding for these projects already has been committed either in MTC's long-term *Regional Transportation Plan* or the near-term 2003 Transportation Improvement Program.

## GETTING GOODS TO MARKET

To understand the dynamics and economics of goods movement in the Bay Area, MTC has launched the Regional Freight Study. The analysis will help MTC allocate transportation funds as well as inform local decisionmakers making infrastructure, zoning and other decisions affecting the freight industry.

The data-collection phase of the study will take approximately six months, and will answer the questions of who is moving goods, where the goods are going, how they are being sent and how local land-use decisions affect goods movement. The second phase of the study will identify and prioritize goods movement issues and problems for consideration in MTC's next *Regional Transportation Plan*.

## MAKING THE TRANSPORTATION/ LAND-USE CONNECTION

How can the Bay Area short-circuit sprawl and instead grow in a "smarter," more compact way? That was the question examined by a two-year initiative concluded in 2002 called the Bay Area Smart Growth Strategy/Regional Livability Footprint Project, and jointly sponsored by five regional public agencies including MTC, the Association of Bay Area Governments (ABAG) and the Bay Area Air Quality Management District, along with a coalition of public and private groups known as the Bay Area Alliance for Sustainable Communities.

The participants looked at ways to improve the region's jobs/housing balance, revitalize central cities, and preserve open space and agricultural lands.

Following two series of public workshops around the region, and a slew of meetings by the five agencies and affiliated public entities, the project is now ready for action. ABAG-adopted regional growth forecasts based on smart growth principles will be used by MTC in the next update of the *Regional Transportation Plan*. Land-use and air quality planning also will take into account the approach developed by the smart growth initiative as will policies regarding housing, environmental protection, economic vitality and social equity.

The Regional Agency Coordinating Committee (RACC), formed in 2002 at MTC's suggestion, will guide continuing smart growth planning. RACC's membership is made up of representatives from MTC and two of the other regional agencies that collaborated on the Smart Growth Strategy/Regional Livability Footprint Project. RACC also will focus on federal air quality planning and incentive programs to link transportation, air quality and land-use efforts.

# We are revitalizing communities and improving access to transportation

Transportation programs can do more than just connect places — they can help to strengthen communities. In recent years, MTC has launched initiatives aimed at enhancing the livability of Bay Area towns and neighborhoods, putting smart growth into action by integrating transportation investments with community design. Focusing on low-income areas, we have created new programs to increase access to transportation services. Through these efforts, we are attempting to spread the benefits of our transportation investments more broadly.

## TRANSPORTATION FOR LIVABLE COMMUNITIES/ HOUSING INCENTIVE PROGRAM

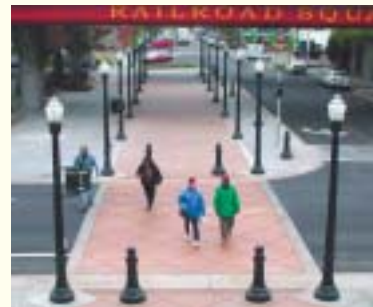
At the local level, relatively modest transportation investments can yield outsized benefits. Modifying streetscapes and creating environments friendlier to pedestrians, transit riders and bicyclists can make communities more vibrant and attractive places in which to live and work. Building upon this momentum, communities can better focus their planning efforts on intensifying land uses and providing a diverse mix of uses to further enhance community livability.

To identify and nurture these kinds of projects, MTC launched the Transportation for Livable Communities (TLC) Program in 1998. The TLC program funds inclusive, “bottom-up” community planning and provides capital grants for project design and construction. In an effort to encourage the creation of higher-density, transit-accessible housing, MTC expanded the TLC portfolio in 2000 to include the Housing Incentive Program (HIP), which rewards cities and counties that encourage developers to provide dense housing within walking distance of major transit routes. Since 1998, close to \$60 million has been awarded to 149 planning, capital and HIP projects in scores of communities around the region. More than half this amount, some \$31 million, was awarded this past fiscal year (2001–02).



Awarded a \$240,000 **Low Income Flexible Transportation** grant by MTC in 2002, the Outreach paratransit service helps transport kids to and from after-school programs in Santa Clara County.

MTC's **Transportation for Livable Communities (TLC) Program** achieved national recognition in 2002 for its support of projects like this handsome pedestrian connection between the east and west sides of downtown Santa Rosa.



Stockton Street in San Francisco's Chinatown is in line for upgrades thanks in part to a 2002 **TLC grant** from MTC.

City CarShare, a San Francisco-based nonprofit organization, was awarded a \$521,000 **LIFT grant** to expand its fleet of low-cost rental cars into the city's low-income neighborhoods and to subsidize car-sharing costs for qualifying residents.





Grants from MTC's **Housing Incentive Program** give Bay Area cities new reasons to approve transit-friendly housing developments.



Through its new **Community-Based Transportation Planning Program**, MTC is seeking grass-roots involvement to identify local transportation priorities.



Broadening access to transportation services is the goal of MTC's **Lifeline Transportation Program**.



Also in 2002, the TLC program was selected as one of eight national winners in the American Association of State and Highway Transportation Officials' "Smart Moves: Transportation Strategies for Smart Growth" competition. In addition, the TLC program earned MTC a 2002 Association of Metropolitan Planning Organizations (AMPO) National Award for "Outstanding Overall Achievement — MPOs over 200,000."

#### **MTC EXTENDS LIFELINE TO LOW-INCOME NEIGHBORHOODS**

Many low-income residents in the Bay Area can't afford to own and operate one car, let alone the two vehicles that many middle class families consider essential for getting to work, dropping their kids at school or day care, rushing to medical appointments, and going grocery shopping. For residents who are making the transition from welfare to work, daily logistics are even more challenging.

In recognition of the special needs of this historically underserved population, MTC incorporated a Lifeline Transportation Program into the recently adopted *Regional Transportation Plan*, and is working on several fronts to advance this commitment.

In conjunction with county congestion management agencies, MTC launched a program in 2002 to engage community organizations and other local stakeholders in a grass-roots approach to developing neighborhood-level transportation plans. Now in the pilot phase, the Community-Based Transportation Planning Program currently targets nine low-income areas in five Bay Area counties.

The answer to the transport problem at hand could involve any number of creative options, from auto-loan programs to cars that can be rented by the hour. The key to landing and keeping a job might be flexible or reverse-commute public transit service that connects inner city residents with entry-level jobs in fast-growing areas, late-night transit service, or even a shuttle to get workers' kids to and from school or daycare.

Through its aptly named Low Income Flexible Transportation — or "LIFT" — Program, MTC also is providing funding for such nontraditional solutions. In 2002, the LIFT Program's second full year of operation, MTC tapped funding from the federal Job Access and Reverse Commute and State Transit Assistance pots to award \$4 million to 14 Bay Area projects. Among the beneficiaries: a low-interest auto loan program for welfare recipients in Contra Costa County; shuttle services for children in Alameda and Solano counties; and additional service on select bus lines in the East Bay. The LIFT grants augment social service funding.

Additionally MTC is partnering with the San Francisco-based Public Policy Institute of California to conduct research into the impact that transportation costs have on the lives of low-income residents.



# We are **delivering dollars** for bridges, roads and transit

One of MTC's most important jobs is to make sure that precious federal, state and regional dollars find their way into the coffers of the transportation partners who maintain the Bay Area's core network and build needed improvements. In cases where future funding is committed, MTC closely tracks project status, working with sponsors to ensure milestones are met and promised funding is secured. The agency also has approval authority for funding requests stemming from special appropriations, such as congressional earmarks. And as the Bay Area Toll Authority, MTC issues bonds against future toll revenues to finance \$1.8 billion in new bridges and related improvements.

## **ALLOCATIONS APPROACH HALF A BILLION DOLLARS**

In fiscal year 2001–02, MTC allocated almost \$500 million in current-year funding to transit agencies, counties and regional agencies — up from just over \$400 million in the year-earlier period. These moneys are drawn from a number of sources, including the Transportation Development Act, Assembly Bill 1107-designated half-cent sales tax revenues, toll bridge revenues and State Transit Assistance. The allocations support transit operations, bicycle and pedestrian facilities, and street and road projects in the Bay Area (see table on pages 24-25).

## **PROGRAMMING FUTURE FUNDING, ASSURING PROJECT DELIVERY**

MTC also exercises its funding authority by a process known as “programming.” Here, MTC commits certain future state and federal funds to projects that support priorities established by MTC's regional planning process. In fiscal year 2001–02, MTC programmed more than \$520 million for Bay Area projects by crafting and adopting the five-year Regional Transportation Improvement Program (RTIP), a component of the California State Transportation Improvement Program. RTIP projects



*In two award-winning transactions, the Bay Area Toll Authority “swapped” **\$500 million in bridge bonds** in 2002, locking in historically low rates. The BATA bonds are helping to finance construction of a new Carquinez Bridge.*



*The \$520 million **2002 Regional Transportation Improvement Program** directs funds to a wide array of projects, ranging in size from small-scale bike and pedestrian projects to major freeway interchange improvements.*





*MTC allocates a portion of bridge toll revenues to **bicycle projects**, and also to ferries and other transit needs.*

*Fiscal year 2001–02 saw MTC allocate nearly \$500 million to Bay Area transit operators, including AC Transit, whose new **low-floor, low-emission “rapid bus”** is pictured here.*



*In April 2002, MTC approved BART’s request for \$75 million in promised federal “New Starts” funding for the soon-to-open **extension to San Francisco International Airport**.*



included upgrades to state highways, local roads, public transit, intercity rail, and pedestrian and bicycle facilities. MTC also programmed \$22 million in federal funds for the Transportation for Livable Communities program. Another \$9 million was directed to the companion Housing Incentive Program (see pages 20-21).

MTC’s programming role does not end with the initial assignment of future funds. In some instances, MTC later allocates programmed funds to project sponsors. In other cases, allocations are made by state or federal authorities. In either case, MTC closely monitors projects to which funds have been programmed to ensure that sponsors meet established criteria and deadlines, so that funds can be awarded on schedule and projects can be implemented in a timely fashion. When necessary, MTC intercedes on behalf of local sponsors to resolve disputes and overcome obstacles to project delivery.

In fiscal year 2001–02, with MTC’s help, Bay Area transit agencies, counties and local agencies received allocations of over \$346 million in previously programmed federal funds. With another \$54 million in funds awaiting allocation authority from the Federal Highway Administration and Federal Transit Administration, MTC successfully shepherded projects worth \$400 million further along the funding pipeline and toward eventual construction.

#### **BAY AREA TOLL AUTHORITY ENGINEERS AWARD-WINNING BOND DEALS**

Since January 1998, MTC, acting as the Bay Area Toll Authority (BATA), has served as the administrator of the base toll revenues generated from the state-owned toll bridges in the Bay Area. BATA oversees and funds bridge operations and maintenance, and is responsible for delivering the Regional Measure 1 toll bridge capital improvement program. Caltrans provides engineering oversight and management of the RM 1 projects.

In 2002, BATA took Far West Region honors in the inaugural “Deal of the Year Awards” sponsored by *The Bond Buyer*, a New York City-based publication specializing in municipal finance. *Governing* magazine added to the acclaim by bestowing its own “Deal of the Year Award” on BATA. In both cases, BATA was honored for engineering “interest-rate swaps” that enabled the agency to lock in low fixed-interest rates on bonds issued to finance the \$1.8 billion RM 1 program.

Planned toll bridge improvement projects include the newly widened San Mateo-Hayward Bridge, a replacement Carquinez Bridge and a new Benicia-Martinez Bridge.

In issuing bonds, BATA has earned top marks for credit-worthiness from the three major credit rating agencies — AA ratings from Fitch and Standard & Poor’s, and an Aa3 rating from Moody’s. As Standard & Poor’s noted in its credit profile, BATA’s AA rating “...represents one of the highest credit ratings Standard & Poor’s carries on a toll agency, and the highest among all transportation-related enterprises.”

# MTC Allocations to local agencies and jurisdictions for fiscal year 2001–02

Recipients	Local/Regional				
	Transportation Development Act				AB 1107 <sup>(a)</sup>
	Transit Operations <sup>(c)</sup>	Transit Capital <sup>(c)</sup>	Streets and Roads	Pedestrian and Bicycle	Transit Operations
<b>Transit Agencies</b>					
Alameda-Contra Costa Transit District (AC Transit)	\$ 63,893,690 <sup>(e)</sup>	\$ —	\$ —	\$ —	\$ 30,978,638
Bay Area Rapid Transit District (BART)	1,406,090	—	—	—	—
Caltrain/Joint Powers Board	—	—	—	—	—
Central Contra Costa Transit Authority (County Connection)	15,659,747	1,071,842	—	—	—
Eastern Contra Costa Transit Authority (Tri Delta Transit)	7,165,013	765,000	—	—	—
Fairfield/Suisun City Flyer	1,427,531	4,221,561	—	—	—
Golden Gate Bridge, Highway & Transportation District	15,621,543	—	—	—	—
Livermore/Amador Valley Transit Authority (WHEELS)	6,434,447	1,744,312	—	—	—
Napa Valley VINE	3,097,204	1,110,072	—	—	—
San Francisco Municipal Railway (Muni)	39,272,843	—	—	—	30,978,638
San Mateo County Transit District (SamTrans)	43,736,792	—	—	—	—
Santa Clara Valley Transportation Authority (VTA)	95,400,982	—	—	—	—
Santa Rosa CityBus	2,408,956	1,080,000	—	—	—
Sonoma County Transit	6,912,632	754,249	—	—	—
Union City Transit	1,933,878	1,719,143	—	—	—
Vallejo Transit	3,678,092	120,000	—	—	—
Western Contra Costa Transit Authority (WestCAT)	2,723,236	568,800	—	—	—
<b>Subtotal</b>	<b>\$310,772,676</b>	<b>\$13,154,979</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$61,957,276</b>
<b>Counties/Regional Agencies</b>					
Alameda County <sup>(g)</sup>	66,268	—	—	2,159,037	—
Contra Costa County <sup>(g)</sup>	—	—	—	682,290	—
Marin County	—	—	—	—	—
Napa County <sup>(g)</sup>	—	—	—	21,500	—
City and County of San Francisco	—	—	—	—	—
San Mateo County <sup>(g)</sup>	—	—	—	1,111,850	—
Santa Clara County <sup>(g)</sup>	—	—	—	2,069,786	—
Solano County <sup>(g)</sup>	3,187,807	323,000	1,742,695	346,000	—
Sonoma County <sup>(g)</sup>	937,701	165,000	386,467	235,720	—
Metropolitan Transportation Commission	—	—	—	—	—
Association of Bay Area Governments	—	—	—	—	—
<b>Subtotal</b>	<b>\$ 4,191,776</b>	<b>\$ 488,000</b>	<b>\$2,129,162</b>	<b>\$6,626,183</b>	<b>\$ —</b>
<b>Regional Total</b>	<b>\$314,964,452</b>	<b>\$13,642,979</b>	<b>\$2,129,162</b>	<b>\$6,626,183</b>	<b>\$61,957,276</b>

(a) Revenues from a half-cent sales tax collected in Alameda, Contra Costa and San Francisco counties.

(b) Includes community transit operating and capital funds.

(c) Includes Transportation Development Act Articles 4.5 and 8 community transit programs.

(d) Allocations are from State Unrestricted Reserve Funds, provided by Caltrans.



Toll Bridge Revenues			State		Subtotals				Total
			State Transit Assistance <sup>(b)</sup>						
Transit Operations <sup>(d)</sup>	Transit Capital	Transit Operations	Transit Capital	Transit Operations	Transit Capital	Other Capital			
\$ —	\$ 5,618,464	\$ 11,597,580	\$ —	\$ 106,469,908	\$ 5,618,464	\$ —	\$ 112,088,372		
—	13,755,620	376,393	—	1,782,483	13,755,620	—	15,538,103		
—	—	—	2,569,600 <sup>(f)</sup>	—	2,569,600	—	2,569,600		
—	796,156	1,822,468	—	17,482,215	1,867,998	—	19,350,213		
—	—	1,903,118	—	9,068,131	765,000	—	9,833,131		
—	—	—	—	1,427,531	4,221,561	—	5,649,092		
100,000	—	3,187,208	123,000	18,908,751	123,000	—	19,031,751		
—	37,683	693,519	—	7,127,966	1,781,995	—	8,909,961		
—	—	330,071	—	3,427,275	1,110,072	—	4,537,347		
—	2,511,965	17,552,836	—	87,804,317	2,511,965	—	90,316,282		
—	1,920,175	2,684,572	—	46,421,364	1,920,175	—	48,341,539		
—	—	7,003,123	—	102,404,105	—	—	102,404,105		
—	—	521,932	—	2,930,888	1,080,000	—	4,010,888		
—	—	819,895	—	7,732,527	754,249	—	8,486,776		
—	—	104,959	—	2,038,837	1,719,143	—	3,757,980		
1,564,162	3,975,421	188,163	344,940	5,430,417	4,440,361	—	9,870,778		
—	240,317	1,532,264	540,457	4,255,500	1,349,574	—	5,605,074		
\$1,664,162	\$28,855,801	\$50,318,101	\$3,577,997	\$424,712,215	\$45,588,777	\$ —	\$470,300,992		
1,043,000	654,852	—	—	1,109,268	654,852	2,159,037	3,923,157		
—	—	—	—	—	—	682,290	682,290		
—	—	—	—	—	—	—	—		
—	—	—	—	—	—	21,500	21,500		
—	—	—	—	—	—	—	—		
—	—	—	—	—	—	1,111,850	1,111,850		
—	—	—	—	—	—	2,069,786	2,069,786		
—	—	579,702	619,264	3,767,509	942,264	2,088,695	6,798,468		
—	—	270,008	—	1,207,709	165,000	622,187	1,994,896		
—	—	6,144,632	2,234,497	6,144,632	2,234,497	—	8,379,129		
140,000 <sup>(h)</sup>	—	—	—	140,000	—	—	140,000		
\$1,183,000	\$ 654,852	\$ 6,994,342	\$2,853,761	\$ 12,369,118	\$ 3,996,613	\$8,755,345	\$ 25,121,076		
\$2,847,162	\$29,510,653	\$57,312,443	\$6,431,758	\$437,081,333	\$49,585,390	\$8,755,345	\$495,422,068		

(e) Includes allocations to AC Transit for services to Union City.

(f) SamTrans claims these funds on behalf of the Caltrain/Joint Powers Board.

(g) Includes funding for cities, counties and local transportation agencies that are not listed separately above.

(h) Bridge-toll-funded pedestrian and bicycle allocations.

## Financial Highlights for fiscal year 2001-02

### mtc Metropolitan Transportation Commission



#### Revenues

Project Grants from State & Local Agencies	\$ 71,062,002
Transfers From Other Funds	27,012,806
Federal Grants	24,334,055
Sales Taxes	9,326,567
State Grants	6,818,950
Interest Income	4,374,608
Transfers From Reserves	3,310,637
<b>Total Revenues</b>	<b>\$146,239,625</b>

#### Expenses

Allocations (By Fund Source):	
State Transit Assistance	\$ 53,258,264
AB 664 Net Toll Revenue Reserves	25,386,828
Other	21,888,758
Professional Fees	30,781,329
Salaries & Benefits	11,702,059
Other Expenditures	3,222,387
<b>Total Expenses</b>	<b>\$146,239,625</b>

### bata Bay Area Toll Authority



#### Revenues

Operating Revenues:	
Toll Revenue Receipts	\$142,337,259
Other Revenues	1,892,893
Non-Operating Revenues:	
Interest Income/Sale of Investments	45,133,980
Caltrans Operating Grant	594,987
<b>Total Revenue</b>	<b>\$189,959,119</b>
Equity Contributions From Reserves	182,319,411
<b>Total Revenues and Equity Contributions</b>	<b>\$372,278,530</b>

#### Expenses

Operating Expenses:	
State of California, Caltrans	\$ 29,276,930
Professional Fees	2,777,475
Depreciation/Other	379,222
Non-Operating Expenses:	
Interest Expense	13,357,928
Operating Transfers to MTC	25,248,871
Capital Transfers:	
State of California, Caltrans	300,347,398
Other Agencies	890,706
<b>Total Expenses/Transfers</b>	<b>\$372,278,530</b>

### safe Service Authority for Freeways and Expressways



#### Revenues

Registration Fees	\$ 5,897,408
Caltrans Grants	5,201,753
Federal Grants	1,163,811
Interest Income/Sale of Investments	464,496
Other Operating Grants	101,224
Other	6,588
<b>Total Revenue</b>	<b>\$ 12,835,280</b>

#### Expenses

Towing Contracts	\$ 5,781,261
Increase in Reserves	1,820,018
Transfers to MTC	1,763,935
Professional Fees	1,243,449
Ongoing Maintenance	1,148,377
Depreciation/Communications/Other	1,078,240
<b>Total Expenses/Transfers</b>	<b>\$ 12,835,280</b>

# Financial Report

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Report of Independent Accountants

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333 Market Street  
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Facsimile (415) 498 7100

To the Commissioners  
Metropolitan Transportation Commission

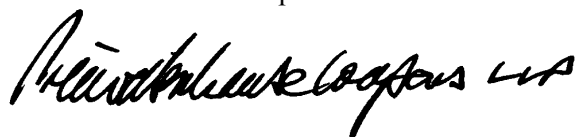
In our opinion, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Commission (MTC) which collectively comprise MTC's basic financial statements, as listed in the table of contents, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2002, and the respective changes in financial position and cash flows, where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the MTC's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1C, MTC adopted the provisions for the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and the provisions for GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2002 on our consideration of the MTC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 29 through 34 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The supplemental schedules on pages 76 through 89 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



October 25, 2002

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Management's Discussion and Analysis (unaudited)**

---

The management of the Metropolitan Transportation Commission (MTC) offers readers this narrative overview and analysis of the financial activities of MTC, its blended component units and fiduciary funds. MTC serves as the primary government with two business-type enterprises, the Bay Area Toll Authority (BATA) and MTC Service Authority for Freeways and Expressways (SAFE), as well as two fiduciary funds, the Transportation Development Act (TDA) and the AB1107 Fund. Readers are encouraged to consider the information presented here in conjunction with additional information contained in the accompanying letter of transmittal.

#### **A. Financial Highlights**

For the year ended June 30, 2002 net assets in the governmental funds increased by \$4,246,991 as reported under the accrual basis of accounting and decreased by \$3,310,637 as reported under the modified accrual basis of accounting.

Net assets of the funds comprising the business-type activities (BTA) decreased by \$180,499,393, primarily as a result of planned project drawdowns.

Net assets for SAFE increased by \$1,820,018 while the net assets of BATA decreased by \$182,319,411. BATA's decrease in net assets was primarily the result of the project funding for the Regional Measure 1 (RM1) programs. The change in net assets for SAFE is consistent with that of the prior year.

#### **B. Overview of Government-Wide Financial Statements**

The government-wide financial statements provide a broad overview of MTC and its blended component units. The government wide financial statements comprise a Statement of Net Assets, a Statement of Activities and accompanying footnotes. The Statement of Net Assets presents information on the government-wide change in assets and liabilities of MTC during fiscal year 2002. The difference between the assets and liabilities is reported as "Net Assets". The Statement of Activities presents government-wide information showing the change in net assets resulting from revenues and expenses incurred during the 2002 fiscal year. All changes in net assets are recorded as revenues are earned and expenses are incurred, regardless of the timing of related cash flows.

The government-wide financial statements distinguish governmental activities that are principally supported by grants, contributions and taxes from business-type activities which recover a significant portion of costs from user fees or charges.

MTC is composed of governmental and business type funds. The governmental funds comprise the general fund and the special revenue funds. The business or proprietary funds are BATA and SAFE. These funds are further described on page 56 of the footnotes to the financial statements.

The government-wide Statement of Net Assets and Statement of Activities are presented on pages 35-37 of this report with the accompanying footnotes being presented on pages 52-74.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Management's Discussion and Analysis (unaudited), *continued***

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#### **C. Overview of the Fund Financial Statements**

MTC utilizes fund accounting for all of its activities in order to provide accountability and demonstrate compliance with finance-related legal requirements. The MTC funds, as presented in these financial statements, may be classified into three categories:

##### *i.) Governmental Funds*

Governmental funds are used to account for the MTC functions supported by grants, contributions, taxes, and inter-governmental revenue sources. However, governmental funds tend to focus on the balance of spendable resources available at fiscal year end rather than the longer term focus of governmental activities. The reader may find it useful to compare the information presented in the government fund and schedule of governmental activities as a means of evaluating the long-term financial impact of certain short-term decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison of governmental funds to governmental activities.

MTC adopts annual budgets for all funds. However, a comparison of budget-to-actual information is prepared only for the governmental funds and is presented in these financial statements only for the major governmental funds on pages 43-45.

The financial statements of the governmental funds, prepared under the modified accrual basis of accounting can be found on pages 38-42 of this report.

##### *ii) Proprietary Funds*

Proprietary funds are used to account for the business-type activities of MTC, including BATA and SAFE, on the accrual basis of accounting.

The financial statements of the proprietary funds can be found on pages 46-49 of this report.

##### *iii) Fiduciary Funds*

Fiduciary funds are used to account for resources held in a trustee capacity for the benefit of parties outside MTC. As such, fiduciary funds are not reflected in the government-wide financial statements as the resources cannot be used to support the programs of MTC or those of its component units. The fiduciary funds of MTC use the economic resources measurement focus and the accrual basis of accounting.

MTC reports two fiduciary funds, namely The AB1107 fund and the TDA fund. Each of these funds are derived from sales tax revenues. The revenues for the TDA fund are deposited with the respective treasurer in each of the nine counties in the region. MTC has administrative responsibility for allocation of the assets, as well as authorization of all payments processed through the Auditor-Controller's office in each of the Bay Area's nine counties.

The basic fiduciary fund financial statements can be found on pages 50-51 of this report.



**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Management's Discussion and Analysis (unaudited), *continued***

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**D. Notes to the Financial Statements**

The notes to the financial statements, beginning on page 52, provide additional pertinent information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**E. Other Information**

In addition to the basic financial statements, this report also presents certain supplementary information which can be found beginning on page 76 of this report.

**F. Government-Wide Financial Analysis**

On a government-wide perspective, total assets exceed liabilities by a ratio of 2 to 1 as of June 30, 2002. The following provides condensed financial information derived from the government-wide financial statements:

*i.) Statement of Net Assets*

	Governmental Funds	Business- Type Activities
Assets	\$ 180,211,104	\$ 828,814,044
Liabilities	11,862,686	413,559,377
Net Assets	<u>\$ 168,348,418</u>	<u>\$ 415,254,667</u>
Net Asset Detail:		
Invested in Capital Assets	\$ 3,465,851	\$ 1,273,731
Restricted for Capital Projects	56,546,243	-
Restricted for other purposes	44,969,896	125,000,000
Unrestricted Net Assets	63,366,428	288,980,936
Total	<u>\$ 168,348,418</u>	<u>\$ 415,254,667</u>

The \$125,000,000 "restricted" funds in the Business-Type Activities are the \$50,000,000 extraordinary costs reserve and \$75,000,000 operating reserves required by the BATA bond covenants.

The designation of "unrestricted" denotes a lack of formal legislative or external "restriction" to the use of funds. However, in each case, funds are restricted to the legally designated use of the respective fund.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Management's Discussion and Analysis (unaudited), *continued***

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ii) Statement of Activities

Assets in both governmental and business-type activities consist mainly of cash and investments. Liabilities in the business-type consist mainly of a \$400,000,000 debt issuance by BATA in May 2001. The change in net assets was most pronounced in the proprietary funds, specifically BATA. The following provides a condensed view of the change in net assets for the year ended June 30, 2002 as reported under the accrual basis of accounting:

	Governmental Activities	Business-Type Activities	
		<u>BATA</u>	<u>SAFE</u>
Beginning Net Assets	\$ 164,101,427	\$ 572,536,332	\$ 23,217,728
Ending Net Assets	168,348,418	390,216,921	25,037,746
Change in Net Assets	<u>\$ 4,246,991</u>	<u>\$ (182,319,411)</u>	<u>\$ 1,820,018</u>

The decline in BATA's net assets is a result of the on-going \$1.6 billion RM 1 capital improvement program. BATA will issue a \$300 million toll bridge revenue bond in January 2003 to reimburse for construction costs from the State of California Department of Transportation (Caltrans).

The principal sources of revenue for MTC's governmental activities are state and federal grants, as well as a 3.5% share of sales tax revenue for planning and administrative expenses. Expenses not covered through direct grant reimbursement are covered by MTC's share of sales tax revenue.

**G. Financial Analysis of Business-Type Activities**

While the BATA statement of activities shows a \$182,319,411 reduction in the net asset balance for the year ending June 30, 2002, the reduction is part of a planned capital improvement program adopted by BATA. The following provides a condensed view of the main components of the change in net assets of the business-type activities:

	<u>BATA</u>	<u>SAFE</u>
Income before operating and capital transfers	\$ 144,167,564	\$ 3,583,953
Operating Transfers	(25,248,871)	(1,763,935)
Capital Transfers	(301,238,104)	-
Change in Net Assets	<u>\$ (182,319,411)</u>	<u>\$ 1,820,018</u>

BATA transferred \$301,238,104 to Caltrans to fund ongoing construction of the RM1 program. For the two years through June 2002, BATA has spent \$542,670,548 of the \$1.6 billion bridge improvement program.

**H. Financial Analysis of Government Funds**

As of June 30, 2002, the combined ending fund balance of the MTC governmental funds was \$132,514,506, as reported under the modified accrual basis of accounting. This represents a decrease of \$3,310,637 over 2001. The fund balance includes reserved and unreserved funds. Of the fund balance, an amount of \$56,546,243 is reserved for encumbrances. A reserve of \$50,193,913 is to be used for

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Management's Discussion and Analysis (unaudited), *continued***

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specified purposes from special revenue funds. An amount of \$12,529,896 of the fund balance has been reserved for specific Commission or other legal purposes. The remaining balance of \$13,244,454 represents unreserved funds available for appropriation at the government's discretion. However, the MTC has adopted a position that an operating contingency of fifty percent of governmental expenditures should be set aside as protection against future economic swings.

*i) General Fund Budget*

The final general fund budgeted revenues for of MTC for the year ended was \$65,625,002, of which \$40,568,043 is for operating expenditures and \$24,318,119 is for capital programs. The final budget increased by an amount of \$738,840 over the original budget adopted on July 1, 2001. The following provides a condensed view of the final budgeted results compared to actual results for the year ended June 30, 2002:

	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 65,625,002	\$ 45,213,356
Expenditures	65,625,002	51,926,291
Excess/(Deficiency)	-	(6,712,935)
Transfers in	-	12,215,318
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 5,502,383</u>

Because MTC is primarily reimbursed for Federal and State work, it is not unusual for revenue to lag behind budget. Expenditures were also well below budget, leaving a \$5,502,383 net balance after transfers.

**I. Capital Asset Debt Administration**

As of June 30, 2002, MTC's investment in capital assets for all funds, governmental and proprietary is \$4,739,582 as reported under the accrual basis of accounting. This investment in capital assets includes furniture and equipment, as well as improvements to the SAFE Callbox system. Assets relating to the seven state-owned bridges administered by BATA are recorded with the California Department of Transportation.

**J. Long-Term Debt**

The only long-term debt issued by MTC or any component unit is a \$400 million bridge toll revenue funding issued by BATA during fiscal 2001. There was no new debt issued during fiscal year 2001-02. The following points provide a synopsis of the debt and interest rate swap transactions in place at June 30, 2002:

BATA completed a \$300 million, 35 year, floating-to-fixed rate swap with three counter-parties; AMBAC - \$150 million, Salomon Smith Barney and Morgan Stanley receiving \$75 million each. BATA pays a fixed rate (ranging from 4.09% to 4.125%) and receives the actual variable rate payment for years 1 through 4 and a rate based on 65% of LIBOR through the remaining term of the original financing. The AMBAC transaction is insured as to BATA and counter-party default by a policy underwritten by AMBAC Assurance Corporation.



# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Management's Discussion and Analysis (unaudited), *continued***

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BATA also completed a contract with AMBAC Financial Services to swap a future \$200 million floating rate issue to a fixed-rate. BATA will pay a fixed payment of 4.139% and receive a floating rate payment based on 65% of the weekly LIBOR index. The transaction is insured against default, both BATA and the counter-party, by AMBAC Assurance Corporation. BATA has until March 4, 2003 to complete the contract and issue the variable rate bonds.

BATA maintains long and short-term ratings from Standard & Poor's, Fitch Ratings, as well as Moody's Investors Services. At June 30, 2002, those ratings are:

Standard & Poor's	AA / A1
Moody's	Aa3
Fitch	AA / F1+

In addition, the 2001 \$300 million variable rate demand bonds carry the AAA /Aaa /AAA ratings of Standard & Poor's, Moody's and Fitch respectively by virtue of the insurance policy written by AMBAC Assurance.

#### **K. Economic Factors Impacting MTC**

A general economic slowdown which began in fiscal year 2001 will continue to impact the Bay Area and transportation capacity. General factors include:

Area unemployment at 5.4%, up from 4.9% in 2001.

General decline in sales tax revenue. Region-wide revenue is on track for a second straight declining year, 22% below the high of fiscal year 2001 and roughly equivalent to total revenue for fiscal year 2000.

While federal funding has not decreased with the economic slowdown, MTC will face reauthorization of the TEA 21 in fiscal year 2003 which impacts region-wide funding.

Interest rates remain at historical low levels drastically reducing any potential investment earnings as a revenue source.

While these factors are critical to the region-wide transportation planning and funding which is MTC's principal task, these factors are not expected to significantly impact MTC operations nor the operations of SAFE or BATA.

**Metropolitan Transportation Commission**  
**Statement of Net Assets**  
**June 30, 2002**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 68,403,136	\$ 286,638,434	\$ 355,041,570
Investments - unrestricted	32,430,150	364,215,410	396,645,560
Investments - restricted	-	125,000,000	125,000,000
Receivables:			
Accounts and tolls due	494,479	4,125,638	4,620,117
Interest	502,900	9,473,977	9,976,877
State funding	35,397,349	7,154,081	42,551,430
Federal funding	5,587,370	1,171,980	6,759,350
Maintenance funding	-	22,027,480	22,027,480
Indirect cost recovery	1,083,593	-	1,083,593
Other	-	603,083	603,083
Prepaid items	406,276	507,177	913,453
Bond issuance costs	-	4,620,120	4,620,120
Loan to other agencies	32,440,000	2,002,933	34,442,933
Capital assets (net of accumulated depreciation)	3,465,851	1,273,731	4,739,582
Total assets	180,211,104	828,814,044	1,009,025,148
<b>Liabilities</b>			
Accounts payable	8,081,022	1,347,958	9,428,980
Accrued liabilities	2,320,431	2,791,850	5,112,281
Due to/(from) other funds	716,114	(716,114)	-
Due to Caltrans	-	8,806,834	8,806,834
Other current liabilities	673,180	-	673,180
Capital leases	71,939	-	71,939
Long-term debt, net	-	401,328,849	401,328,849
Total liabilities	11,862,686	413,559,377	425,422,063
<b>Net Assets</b>			
Invested in capital assets, net of related debt	3,465,851	1,273,731	4,739,582
Restricted for:			
Capital projects	56,546,243	-	56,546,243
Other purposes	44,969,896	125,000,000	169,969,896
Unrestricted	63,366,428	288,980,936	352,347,364
Total net assets	\$ 168,348,418	\$ 415,254,667	\$ 583,603,085

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission**  
**Statement of Activities**  
**For the Year Ended June 30, 2002**

	<u>Expenses</u>	<u>Primary Revenues</u>			
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Program Revenues</u>
<b>Functions</b>					
<i>Governmental Activities:</i>					
General government	\$ 45,894,987	\$ —	\$ 40,479,572	\$ —	\$ 40,479,572
Allocations to other agencies	<u>92,787,010</u>	<u>—</u>	<u>6,589,370</u>	<u>64,472,632</u>	<u>71,062,002</u>
Total governmental activities	<u>138,681,997</u>	<u>—</u>	<u>47,068,942</u>	<u>64,472,632</u>	<u>111,541,574</u>
<i>Business-type Activities:</i>					
Toll bridge activities	347,029,659	144,230,152	594,987	—	144,825,139
Congestion relief	<u>9,251,327</u>	<u>5,897,408</u>	<u>6,473,376</u>	<u>—</u>	<u>12,370,784</u>
Total business-type activities	<u>356,280,986</u>	<u>150,127,560</u>	<u>7,068,363</u>	<u>—</u>	<u>157,195,923</u>
Total primary government	\$ 494,962,983	\$ 150,127,560	\$ 54,137,305	\$ 64,472,632	\$ 268,737,497

The accompanying notes are an integral part of these financial statements.



	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
	\$ (5,415,415)	\$ –	\$ (5,415,415)
	(21,725,008)	–	(21,725,008)
	(27,140,423)	–	(27,140,423)
	–	(202,204,520)	(202,204,520)
	–	3,119,457	3,119,457
	–	(199,085,063)	(199,085,063)
	(27,140,423)	(199,085,063)	(226,225,486)
General revenues:			
Unrestricted investment earnings	4,374,608	45,532,330	49,906,938
Gain on sale of investments	–	66,146	66,146
Transfers	27,012,806	(27,012,806)	–
Total general revenues and transfers	31,387,414	18,585,670	49,973,084
<b>Change in net assets</b>	4,246,991	(180,499,393)	(176,252,402)
<b>Net assets – beginning</b>	164,101,427	595,754,060	759,855,487
<b>Net assets – ending</b>	<u>\$ 168,348,418</u>	<u>\$ 415,254,667</u>	<u>\$ 583,603,085</u>

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission**  
**Balance Sheet – Governmental Funds**  
**June 30, 2002**

	MTC General	5% Reserves	Rail Extension Reserves
<b>Assets</b>			
Cash and cash equivalents	\$ 25,982,481	\$ 4,010,610	\$ 798,712
Investments	-	-	4,994,500
Receivables:			
Accounts	69,442	90,446	227,768
Interest	161,103	34,000	32,841
State Funding	3,817,603	-	-
Federal Funding	5,587,370	-	-
Indirect cost recovery	1,083,593	-	-
Prepaid items	406,276	-	-
Total assets	<u>\$ 37,107,868</u>	<u>\$ 4,135,056</u>	<u>\$ 6,053,821</u>
<b>Liabilities and fund balances</b>			
Liabilities			
Accounts Payable	\$ 4,873,205	\$ 228,898	\$ -
Accruals	2,167,688	-	141
Due to other funds	160,157	-	-
Other	673,180	-	-
Total liabilities	<u>7,874,230</u>	<u>228,898</u>	<u>141</u>
Fund balances			
Reserved for			
Encumbrances	3,459,288	2,944,179	210,615
Other	12,529,896	-	-
Unreserved, reported in			
General fund	13,244,454	-	-
Special revenue funds	-	961,979	5,843,065
Total fund balances	<u>29,233,638</u>	<u>3,906,158</u>	<u>6,053,680</u>
Total liabilities and fund balances	<u>\$ 37,107,868</u>	<u>\$ 4,135,056</u>	<u>\$ 6,053,821</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore,  
are not reported in the funds

Capital leases are not due and payable in the current period and therefore are not  
reported in the funds

Other long-term assets are not available to pay for current-period expenditures and, therefore,  
therefore, are deferred in the funds

Net assets of governmental activities

The accompanying notes are an integral part of these financial statements.

AB 664 Net Toll Revenue		STP		STA		Other		Total Governmental Funds
<u>Reserves</u>		<u>Exchange</u>						
\$	18,392,397	\$	13,892,668	\$	5,274,992	\$	51,276	\$ 68,403,136
	27,435,650		-		-		-	32,430,150
	106,823		-		-		-	494,479
	144,456		80,000		50,000		500	502,900
	-		-		31,579,746		-	35,397,349
	-		-		-		-	5,587,370
	-		-		-		-	1,083,593
	-		-		-		-	406,276
\$	46,079,326	\$	13,972,668	\$	36,904,738	\$	51,776	\$ 144,305,253
\$	2,056,381	\$	201,901	\$	720,637	\$	-	\$ 8,081,022
	152,602		-		-		-	2,320,431
	-		62,698		493,259		-	716,114
	-		-		-		-	673,180
	2,208,983		264,599		1,213,896		-	11,790,747
	35,080,668		8,177,070		6,674,423		-	56,546,243
	-		-		-		-	12,529,896
	-		-		-		-	13,244,454
	8,789,675		5,530,999		29,016,419		51,776	50,193,913
	43,870,343		13,708,069		35,690,842		51,776	132,514,506
\$	46,079,326	\$	13,972,668	\$	36,904,738	\$	51,776	
								3,465,851
								(71,939)
								32,440,000
								\$ 168,348,418

The accompanying notes are an integral part of these financial statements.



**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balances –**  
**Governmental Funds**  
**For the Year Ended June 30, 2002**

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	<u>General</u>	<u>5% Reserves</u>	<u>Rail Extension Reserves</u>
<b>Revenues</b>			
Sales taxes	\$ 9,326,567	\$ -	\$ -
Grants - Federal	24,334,055	-	-
Grants - State	6,818,950	-	-
Project grants from state and local agencies	3,796,013	2,793,357	-
Investment income	937,771	218,144	378,603
Total revenues	45,213,356	3,011,501	378,603
<b>Expenditures</b>			
Current:			
General government	45,496,210	-	807
Allocations to other agencies	6,220,516	3,225,394	10,639,385
Capital outlay	209,565	-	-
Total expenditures	51,926,291	3,225,394	10,640,192
Excess (deficiency) of revenues over (under) expenditures	(6,712,935)	(213,893)	(10,261,589)
<b>Other financing sources / uses</b>			
Transfers in	12,215,318	1,169,742	10,007,625
Transfers out	-	-	-
Total other financing sources and uses	12,215,318	1,169,742	10,007,625
<b>Net change in fund balances</b>	5,502,383	955,849	(253,964)
<b>Fund balances - beginning</b>	23,731,255	2,950,309	6,307,644
<b>Fund balances - ending</b>	\$ 29,233,638	\$ 3,906,158	\$ 6,053,680

The accompanying notes are an integral part of these financial statements.

<u>AB664 Net Toll Revenue Reserves</u>		<u>STP Exchange</u>		<u>STA</u>		<u>Other</u>		<u>Total Governmental Funds</u>
\$	-	\$	-	\$	-	\$	-	\$ 9,326,567
	-		-		-		-	24,334,055
	-		-		-		-	6,818,950
	-		-		64,472,632		-	71,062,002
	1,620,904		608,754		607,085		3,347	4,374,608
	1,620,904		608,754		65,079,717		3,347	115,916,182
	5,033		-		-		-	45,502,050
	25,381,795		1,736,829		53,258,264		65,827	100,528,010
	-		-		-		-	209,565
	25,386,828		1,736,829		53,258,264		65,827	146,239,625
	(23,765,924)		(1,128,075)		11,821,453		(62,480)	(30,323,443)
	12,482,234		-		-		-	35,874,919
	-		(1,101,504)		(7,760,609)		-	(8,862,113)
	12,482,234		(1,101,504)		(7,760,609)		-	27,012,806
	(11,283,690)		(2,229,579)		4,060,844		(62,480)	(3,310,637)
	55,154,033		15,937,648		31,629,998		114,256	135,825,143
\$	43,870,343	\$	13,708,069	\$	35,690,842	\$	51,776	\$ 132,514,506

The accompanying notes are an integral part of these financial statements.

# **Metropolitan Transportation Commission** **Reconciliation of the Statement of Revenues, Expenditures and Changes** **in Fund Balances – Governmental Funds to the Statement of Activities** **For the Year Ended June 30, 2002** ---

Amounts reported for governmental activities in the Statement of Activities are different to those reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:

<b>Net change in fund balances - total governmental funds (per Statement of Revenues, Expenditure and Changes in Fund Balances)</b>	<b>\$ (3,310,637)</b>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded non capital lease capital outlays in the current period.	(149,041)
Proceeds from the sale of capital assets provide financial resources to governmental funds while only the gain on the sale of the capital asset is reported in the statement of activities. Therefore, the change in net assets differs from the change in fund balance by the cost of the capital asset sold.	63,797)
The loan receivable from another agency is not recorded as a long-term asset in the governmental funds. Additional loan advances forwarded to the agency during the fiscal year are expensed in the governmental fund but are capitalized as a long-term asset in the statement of net assets. This amount represents fiscal 2002 loan advances.	7,741,000
Principal repayment on capital leases in an expenditure in the governmental funds, however the principal element of the repayment reduces long-term liabilities in the statement of net assets. This amount is the effect of the differing treatment of capital lease principal repayment.	29,466
<b>Change in net assets of governmental activities (per Statement of Activities)</b>	<b><u>\$ 4,246,991</u></b>

The accompanying notes are an integral part of these financial statements.



**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances – Budget and Actual – General Fund**  
**For the Year Ended June 30, 2002**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Sales taxes for planning activities	\$ 13,626,594	\$ 12,670,372	\$ 9,326,567	\$ (3,343,805)
Grants - Federal	27,859,205	29,554,267	24,334,055	(5,220,212)
Grants - State	8,974,000	8,974,000	6,818,950	(2,155,050)
Project grants from state and local agencies	13,356,363	13,356,363	3,796,013	(9,560,350)
Investment income	1,000,000	1,000,000	937,771	(62,229)
Other	70,000	70,000	-	(70,000)
Total revenues	64,886,162	65,625,002	45,213,356	(20,411,646)
<b>Expenditures</b>				
Current:				
General government	35,742,026	36,480,866	45,496,210	(9,015,344)
Allocations to other agencies	4,826,017	4,826,017	6,220,516	(1,394,499)
Capital outlay	24,318,119	24,318,119	209,565	24,108,554
Total expenditures	64,886,162	65,625,002	51,926,291	13,698,711
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,712,935)	6,712,935
<b>Other financing sources</b>				
Transfers in	-	-	12,215,318	12,215,318
<b>Net change in fund balances</b>	-	-	5,502,383	5,502,383
<b>Fund balances - beginning</b>	23,731,255	23,731,255	23,731,255	-
<b>Fund balances - ending</b>	\$ 23,731,255	\$ 23,731,255	\$ 29,233,638	\$ 5,502,383

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances – Budget and Actual – AB664 Net Toll Revenue Reserves Fund**  
**For the Year Ended June 30, 2002**

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	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 1,620,904	\$ 1,620,904
<b>Expenditures</b>				
Current:				
General government	-	-	5,033	(5,033)
Allocations to other agencies	14,892,111	14,892,111	25,381,795	(10,489,684)
Total expenditures	14,892,111	14,892,111	25,386,828	(10,494,717)
Deficiency of revenues under expenditures	(14,892,111)	(14,892,111)	(23,765,924)	(8,873,813)
<b>Other financing sources / uses</b>				
Transfers in	14,892,111	14,892,111	12,482,234	(2,409,877)
<b>Net change in fund balances</b>	-	-	(11,283,690)	(11,283,690)
<b>Fund balances - beginning</b>	55,154,033	55,154,033	55,154,033	-
<b>Fund balances - ending</b>	<u>\$ 55,154,033</u>	<u>\$ 55,154,033</u>	<u>\$ 43,870,343</u>	<u>\$ (11,283,690)</u>

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission  
Statement of Revenues, Expenditures and Changes  
in Fund Balances – Budget and Actual – STA Fund  
For the Year Ended June 30, 2002**

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	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Project grants from state and local agencies	\$ 87,011,599	\$ 87,011,599	\$ 64,472,632	\$ (22,538,967)
Investment income	-	-	607,085	607,085
Total revenues	87,011,599	87,011,599	65,079,717	(21,931,882)
<b>Expenditures</b>				
Current:				
Allocations to other agencies	66,699,404	66,699,404	53,258,264	13,441,140
Excess (deficiency) of revenues over (under) expenditures	20,312,195	20,312,195	11,821,453	(8,490,742)
<b>Other financing sources / (uses)</b>				
Transfers (out) / in	(20,308,328)	(20,308,328)	(7,760,609)	12,547,719
<b>Net change in fund balances</b>	3,867	3,867	4,060,844	4,056,977
<b>Fund balances - beginning</b>	31,629,998	31,629,998	31,629,998	-
<b>Fund balances - ending</b>	<u>\$ 31,633,865</u>	<u>\$ 31,633,865</u>	<u>\$ 35,690,842</u>	<u>\$ 4,056,977</u>

The accompanying notes are an integral part of these financial statements.



**Metropolitan Transportation Commission**  
**Statement of Net Assets – Proprietary Funds**  
**June 30, 2002**

	Business-type Activities - Enterprise Funds		
	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
<b>Assets</b>			
Current assets			
Unrestricted			
Cash and cash equivalents	\$ 278,384,547	\$ 8,253,887	\$ 286,638,434
Short-term investments	34,937,000	6,976,400	41,913,400
Accrued interest	9,404,795	69,182	9,473,977
Prepaid expenses	96,172	191,751	287,923
Federal funding due	-	1,171,980	1,171,980
Caltrans funding due	-	7,154,081	7,154,081
Tolls due from Caltrans	4,125,638	-	4,125,638
Maintenance funding due from Caltrans	22,027,480	-	22,027,480
Prepayments to the Architectural Revolving Fund	219,254	-	219,254
Other receivables due from Caltrans	603,083	-	603,083
Total unrestricted current assets	349,797,969	23,817,281	373,615,250
Non-current assets			
Capital assets			
Furniture and equipment, net of accumulated depreciation	4,069	180,239	184,308
Callboxes, net of accumulated depreciation	-	1,089,423	1,089,423
Capital assets, net	4,069	1,269,662	1,273,731
Unrestricted non-current assets			
Investments	322,302,010	-	322,302,010
Receivable due from Caltrans	2,002,933	-	2,002,933
Bond issuance costs	4,620,120	-	4,620,120
Total unrestricted non-current assets	328,925,063	-	328,925,063
Restricted non-current assets			
Investments	125,000,000	-	125,000,000
Total non-current assets	453,929,132	1,269,662	455,198,794
Total assets	803,727,101	25,086,943	828,814,044
<b>Liabilities</b>			
Current liabilities			
Payable from unrestricted assets			
Accounts payable	573,348	774,610	1,347,958
Accrued expenses	466,016	87,269	553,285
Accrued interest payable	2,167,302	-	2,167,302
Retentions payable	59,624	11,639	71,263
Due to/(from) MTC	108,207	(824,321)	(716,114)
Due to Caltrans	8,806,834	-	8,806,834
Total current liabilities payable from unrestricted assets	12,181,331	49,197	12,230,528
Non-current liabilities payable from unrestricted assets			
Long-term debt, net	401,328,849	-	401,328,849
Total liabilities	413,510,180	49,197	413,559,377
<b>Net assets</b>			
Invested in capital assets, net of related debt	4,069	1,269,662	1,273,731
Restricted net assets	125,000,000	-	125,000,000
Unrestricted net assets	265,212,852	23,768,084	288,980,936
Total net assets	\$ 390,216,921	\$ 25,037,746	\$ 415,254,667

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenses and Change in Fund Net**  
**Assets – Proprietary Funds**  
**For the Year Ended June 30, 2002**

	Business-type Activities - Enterprise Funds		
	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
<b>Operating revenues</b>			
Toll revenues collected by Caltrans	\$ 142,337,259	\$ -	\$ 142,337,259
Department of Motor Vehicles registration fees	-	5,897,408	5,897,408
Other operating revenues	1,892,893	6,588	1,899,481
Total operating revenues	144,230,152	5,903,996	150,134,148
<b>Operating expenses</b>			
Operating expenditures incurred by Caltrans	29,276,930	-	29,276,930
Towing contracts	-	5,781,261	5,781,261
Professional fees	2,777,475	1,243,449	4,020,924
Repairs and maintenance	-	1,148,377	1,148,377
Communications charges	-	342,928	342,928
Depreciation and amortization	104,778	566,348	671,126
Other operating expenses	274,444	168,964	443,408
Total operating expenses	32,433,627	9,251,327	41,684,954
Operating income / (loss)	111,796,525	(3,347,331)	108,449,194
<b>Unrestricted non-operating revenues / (expenses)</b>			
Interest income	45,052,336	479,994	45,532,330
Interest expense	(13,357,928)	-	(13,357,928)
Caltrans operating grants	594,987	5,201,753	5,796,740
Federal operating grants	-	1,163,811	1,163,811
Operating grants from other agencies	-	101,224	101,224
Gain / (loss) on sale of investments	81,644	(15,498)	66,146
Total non-operating revenues, net	32,371,039	6,931,284	39,302,323
Income before operating and capital transfers	144,167,564	3,583,953	147,751,517
<b>Operating transfers</b>			
Transfers to Metropolitan Transportation Commission	(25,248,871)	(1,763,935)	(27,012,806)
Net income before capital transfers	118,918,693	1,820,018	120,738,711
<b>Capital transfers</b>			
Transfers to Caltrans	(300,347,398)	-	(300,347,398)
Transfer to other agencies	(890,706)	-	(890,706)
Total capital transfers	(301,238,104)	-	(301,238,104)
<b>Change in net assets</b>	(182,319,411)	1,820,018	(180,499,393)
<b>Total net assets - beginning</b>	572,536,332	23,217,728	595,754,060
<b>Total net assets - ending</b>	\$ 390,216,921	\$ 25,037,746	\$ 415,254,667

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended June 30, 2002**

	Business-type Activities - Enterprise Funds		
	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
<b>Cash flows from operating activities</b>			
Cash receipts from users	\$ 142,145,243	\$ 5,920,585	\$ 148,065,828
Cash payments to suppliers for services	(36,571,248)	(9,380,546)	(45,951,794)
Other receipts/(payments)	18,419,087	6,588	18,425,675
<b>Net cash provided by / (used in) operating activities</b>	<b>123,993,082</b>	<b>(3,453,373)</b>	<b>120,539,709</b>
<b>Cash flows from non-capital financing activities</b>			
Caltrans operating grants	594,987	498,130	1,093,117
Federal operating grants	-	156,972	156,972
Operating grants from other agencies	-	101,224	101,224
<b>Net cash provided by non-capital financing activities</b>	<b>594,987</b>	<b>756,326</b>	<b>1,351,313</b>
<b>Cash flows from capital and related financing activities</b>			
Interest paid on bonds & capital leases	(12,626,631)	-	(12,626,631)
Amounts charged against ARF	36,155	-	36,155
Acquisition of capital assets	-	(35,264)	(35,264)
Transfers to MTC	(25,248,871)	(1,763,935)	(27,012,806)
Advances from MTC	-	242,033	242,033
Transfer to Caltrans for capital expenditures	(300,347,398)	-	(300,347,398)
Transfer to Other Agencies	(890,706)	-	(890,706)
<b>Net cash used in capital and related financing activities</b>	<b>(339,077,451)</b>	<b>(1,557,166)</b>	<b>(340,634,617)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale & maturities of investments	1,442,585,760	32,812,615	1,475,398,375
Purchase of investments	(1,596,001,190)	(35,678,910)	(1,631,680,100)
Interest and dividends received	37,543,113	527,330	38,070,443
<b>Net cash used in investing activities</b>	<b>(115,872,317)</b>	<b>(2,338,965)</b>	<b>(118,211,282)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(330,361,699)</b>	<b>(6,593,178)</b>	<b>(336,954,877)</b>
<b>Balances - Beginning of year</b>	<b>608,746,246</b>	<b>14,847,065</b>	<b>623,593,311</b>
<b>Balances - End of year</b>	<b>\$ 278,384,547</b>	<b>\$ 8,253,887</b>	<b>\$ 286,638,434</b>

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission**  
**Statement of Cash Flows – Proprietary Funds, *continued***  
**For the Year Ended June 30, 2002**

	Business-type Activities - Enterprise Funds		
	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
<b>Reconciliation of operating income to net cash provided by / (used in) operating activities</b>			
Operating income / (loss)	\$ 111,796,525	\$ (3,347,331)	\$ 108,449,194
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	104,778	566,348	671,126
Net effect of changes in:			
Registration fees receivable	-	23,177	23,177
Tolls due from Caltrans	(192,016)	-	(192,016)
Maintenance funding due from Caltrans	15,506,163	-	15,506,163
TransBay Study funding due from Caltrans	1,623,114	-	1,623,114
Prepaid expenses and other assets	(96,172)	(7,924)	(104,096)
Due to Caltrans	(4,802,246)	-	(4,802,246)
Other receivables due from Caltrans	(603,083)	-	(603,083)
Accounts payable and accrued expenses	656,019	(687,643)	(31,624)
<b>Net cash provided by / (used in) operating activities</b>	<b>\$ 123,993,082</b>	<b>\$ (3,453,373)</b>	<b>\$ 120,539,709</b>

The accompanying notes are an integral part of these financial statements.



**Metropolitan Transportation Commission**  
**Statement of Fiduciary Net Assets – Fiduciary Funds**  
**June 30, 2002**

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	Transportation Development <u>Act Program</u>	AB1107 <u>Program</u>
<b>Assets</b>		
Restricted assets held by participating counties	\$ 52,784,924	\$ -
Restricted assets held by State Board of Equalization	-	8,779,857
Due from State of California	813,715	-
Interest receivable	16,920	100,000
	<hr/>	<hr/>
<b>Net Assets</b>	<b>\$ 53,615,559</b>	<b>\$ 8,879,857</b>
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission**  
**Statement of Changes in Fiduciary Net Assets – Fiduciary Funds**  
**For the Year Ended June 30, 2002**

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	Transportation Development <u>Act Program</u>	AB1107 <u>Program</u>
<b>Additions</b>		
Revenues		
Local Transportation Fund	\$ 266,473,341	\$ -
AB1107 fees	-	57,600,759
Investment earnings		
Interest	3,762,543	755,675
Total additions	<u>270,235,884</u>	<u>58,356,434</u>
<b>Deductions</b>		
Allocations	325,551,566	61,957,276
Expenses		
Administrative	10,185,267	-
Total deductions	<u>335,736,833</u>	<u>61,957,276</u>
<b>Change in net assets</b>	(65,500,949)	(3,600,842)
<b>Net assets - beginning</b>	<u>119,116,508</u>	<u>12,480,699</u>
<b>Net assets - ending</b>	<u>\$ 53,615,559</u>	<u>\$ 8,879,857</u>

The accompanying notes are an integral part of these financial statements.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Notes to Financial Statements**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Reporting entity**

The Metropolitan Transportation Commission (MTC) was established under the laws of the State of California (State) in 1970 to provide comprehensive regional transportation planning for the nine counties that comprise the San Francisco Bay Area, which includes the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma.

The MTC's principal sources of revenue to fund its operations include state grants, a percentage of the sales tax revenues collected in the nine Bay Area Counties under the State Transportation Development Act of 1971 (TDA) and grants from the U.S. Department of Transportation, Office of the Secretary of Transportation (U.S. DOT), including the Federal Highway Administration (FHWA), Federal Transit Administration (FTA) and other federal, state and local agencies.

The accompanying financial statements present MTC and its blended component units. MTC is the primary government as defined in Governmental Accounting Standards Board Statement No. 14 as it has separate legal status, its governing board is separately appointed and it is fiscally independent of other governments. The blended component units discussed below are included as part of the reporting entity because they are financially accountable to MTC. The blended component units, although legally separate entities are, in substance, part of the MTC's operations and financial data from these units are combined with financial data of MTC in preparing the government-wide financial statements.

##### ***Blended component units***

###### **i.) Bay Area Toll Authority**

The Bay Area Toll Authority (BATA) is a public agency created by Senate Bill 226 effective January 1, 1998. Senate Bill 226 transferred to BATA certain current California Transportation Commission (CTC) and State of California, Department of Transportation (Caltrans) duties and responsibilities for the disposition of toll revenues collected from toll bridges owned and operated by Caltrans in the San Francisco Bay Area. These toll bridges are the Antioch Bridge, Benicia-Martinez Bridge, Carquinez Bridge, Dumbarton Bridge, Richmond-San Rafael Bridge, San Francisco-Oakland Bay Bridge and San Mateo-Hayward Bridge.

Pursuant to Senate Bill 226, a Cooperative Agreement was signed on March 2, 1998 defining the roles and responsibilities of BATA and Caltrans.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Notes to Financial Statements**

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BATA agreed to prepare and adopt a budget by July 1 for each fiscal year, with the concurrence of Caltrans, the Long Range Plan required by the Streets and Highway Code, to give first priority to projects and expenditures that are deemed necessary by Caltrans to preserve and protect the bridges as provided by the Streets and Highway Code and to pay Caltrans for costs incurred by Caltrans as authorized in the annual budgets adopted by BATA.

The responsibilities of Caltrans reside with the ownership, operation and maintenance of the bridges, including the collection of the toll revenues, the installation, maintenance and operations of toll collections facilities and equipment, the generation and maintenance of proper records relating to the collection, accounting, allocation and the disbursements of all toll funds collected.

Toll revenues and certain other income, with the exception of the seismic retrofit charge, are transferred to BATA to be managed in accordance with the Cooperative Agreement.

The activities of BATA are structured as a single enterprise with operating revenue and expense recorded by individual Bridge Unit. The Bridge Units account for the operating revenue and expenses of the Antioch Bridge, Benicia-Martinez Bridge, Carquinez Bridge, Richmond-San Rafael Bridge, San Francisco-Oakland Bay Bridge, San Mateo-Hayward Bridge and Dumbarton Bridge.

#### **ii.) MTC Service Authority for Freeways and Expressways (MTC SAFE)**

In June 1988, the MTC SAFE was created to receive funds collected by the Department of Motor Vehicles pursuant to Streets and Highways Code Section 2553, which permits the collection of up to \$1 per registered vehicle in participating counties. The MTC SAFE is responsible for administering a freeway motorist aid system in the participating counties, henceforth referred to as the Callbox program. The following counties are participants in the MTC SAFE: San Francisco, Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma.

In 1993, the MTC SAFE's responsibilities were expanded, pursuant to a jointly adopted memorandum of understanding between the MTC SAFE, Caltrans, and the California Highway Patrol (CHP), to participate in the development and implementation of a Freeway Service Patrol (FSP) program in the San Francisco Bay Area. The MTC SAFE now receives additional funding under this program to provide tow truck services to stranded motorists. Three principal sources of funding for the FSP program include state-legislated grants, federal grants, and funding from federal traffic mitigation programs. In addition, the Callbox program supports the FSP program by transferring funds each year.

The management of the MTC SAFE has contracted with the MTC to utilize the administrative personnel and facilities of the MTC.

#### **iii.) MTC Bridge Toll Funds**

**Five Percent Reserves Fund** – These reserves were originally funded from up to 5 percent of the 1998 Regional Measure 1 toll increase, with 3 percent to be used for congestion-relieving transit operation and capital projects in the bridge corridors and 2 percent of the increase to be used for ferry service capital projects. However, when the state-owned toll bridges became eligible for federal funding in



# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Notes to Financial Statements**

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April 2000, under federal funding guidelines toll revenues could only be used for transit capital projects and not for transit operations.

In order to assist MTC to meet its funding commitments, Caltrans entered into a cooperative agreement with BATA and MTC whereby Caltrans transferred state funding (Five Percent Unrestricted State Funds) to MTC to replace the Five Percent Reserve Funds used for transit operations. As a result of this agreement, new programming and allocation policies were established in MTC Resolution No. 3288, with the Five Percent Reserves now being composed of the Five Percent Unrestricted State Funds supporting ferry operations and other transit/bicycle projects, and the remaining Two Percent Reserves supporting strictly ferry capital improvements.

**Rail Extension Reserves Fund** – The reserves arise from 90 percent of the 25 cent toll increase for two-axle vehicles on the San Francisco-Oakland Bay Bridge authorized by Regional Measure 1 is allocated exclusively for rail transit capital extension and improvement projects that are designed to reduce vehicular traffic congestion on that bridge. Seventy percent of the Rail Extension Reserves are allocated for East Bay rail improvements and the remaining 30 percent for West Bay rail improvements.

**AB664 Net Toll Revenue Reserves Fund** – These reserves are generated from a 1997 toll increase on the three southern bay area bridges; namely, the Dumbarton Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge. Amounts are allocated to these AB664 Net Toll Revenue Reserves based upon a charge of 25 cents per two-axle vehicle on the San Francisco-Oakland Bay Bridge and 5 cents per two-axle vehicle on the San Mateo-Hayward and Dumbarton Bridges. These funds are allocated to capital projects that further the development of public transit in the vicinity of these three southern bay area bridges, including transbay and transbay feeder transit services. Substantially all of the current AB664 Net Toll Revenue Reserves are used to match federal transit funds designated for replacement buses and capital facility improvement.

#### **iv.) Surface Transportation Program (STP) Exchange Fund**

These funds are used for the projects the MTC has adopted as part of its STP and Congestion Mitigation and Air Quality Improvement (CMAQ) program. STP funds include flexible funding for projects on any Federal-aid highway, including the National Highway System, bridge projects, public roads, transit capital projects, and intracity and intercity bus terminals and facilities. CMAQ funds include funding for capital projects and new operating programs for up to 3 years in the areas of TCMs, Cold Start Programs, Alternative Fuels, Traffic Flow Improvements, Specific Transit Improvements such as new, lower emission transit vehicles, TransLink®, Travel Demand Management, Bicycle and Pedestrian Facilities and Outreach and Rideshare Activities.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Notes to Financial Statements**

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#### **v.) State Transit Assistance (STA) Fund**

State Transit Assistance funds are used for transit and Paratransit operating assistance, transit capital projects, and regional transit coordination. The funds are derived from the state sales tax on fuel and apportioned by state statute between two accounts. PUC 99313 defines population based funds and PUC 99314 defines revenue based funds.

#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of MTC and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

#### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

For the year ended June 30, 2002, MTC adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management’s Discussion & Analysis – for State and Local Governments* as amended by GASB Statement No. 37, *Basic Financial Statements – Management’s Discussion & Analysis – for State and Local Governments: Omnibus*. GASB 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into three net asset categories; namely, those invested in capital assets, net of related debt, restricted net assets and unrestricted net assets. For the year ended June 30, 2002, MTC also adopted GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. GASB 38 modifies, establishes, and rescinds certain financial statement disclosure requirements.

With respect to the business-type activities of MTC and as required under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, MTC will continue to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. MTC has elected under GASB Statement No. 20 to not apply all FASB Statements and Interpretations issued after November 30, 1989, due to the governmental nature of MTC’s operations.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2002

### Notes to Financial Statements

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The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period.

MTC reports the following governmental funds:

The *general fund* is used to account for those financial resources that are not required to be accounted for in another fund. MTC's general fund is its primary operating fund.

*Special revenue funds* are used to account for proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes. MTC's special revenue funds include the MTC Bridge Toll Funds, the STP Exchange Fund, the STA Fund and the fund used to account for feeder bus activity disclosed under the "other" caption. The MTC Bridge Toll Funds comprise the Five Percent Reserves Fund, the Rail Extension Reserves Fund and the AB664 Net Toll Revenue Reserves Fund.

Major funds are described in GASB Statement No. 34 as funds where total assets, liabilities, revenues, or expenditures of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and total assets, liabilities, revenues, or expenditures of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental or enterprise funds combined. The major governmental funds comprise the General Fund, the AB664 Net Toll Revenue Reserves Fund and the STA Fund. Balance Sheet and Statements of Revenues, Expenditures and Changes in Fund Balances are presented for all the governmental funds; however Budget to Actual Statements of Revenues, Expenditures and Changes in Fund Balances are only presented for the major funds.

MTC reports the following major proprietary funds:

The *Bay Area Toll Authority (BATA) fund* is used to account for the activities of BATA with responsibilities for the disposition of toll revenues collected from toll bridges owned and operated by the State in the San Francisco Bay Area. BATA is a blended component unit of MTC.

The *MTC Service Authority for Freeways and Expressways (SAFE) fund* is used to account for the activities of MTC SAFE with responsibilities for administering a freeway motorist aid system in the participating counties as well as providing tow truck services to stranded motorists. MTC SAFE is a blended component unit of MTC.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2002

### Notes to Financial Statements

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Additionally, MTC reports the following fiduciary funds to account for assets held by MTC in a trustee capacity or as an agent:

The *AB1107 fund* is used to account for the activities of the AB1107 Program. AB1107 funds are sales tax revenue collected under the ordinance adopted pursuant to Section 29140 of the Public Utilities Code. These funds are administered by the MTC for allocation to the Alameda-Contra Costa Transit District (AC Transit) and the City and County of San Francisco for its municipal railway system (MUNI) on the basis of regional priorities established by the MTC.

The *Transportation Development Act (TDA) Program fund* is used to account for the activities of the TDA Program. In accordance with State regulations and memoranda of understanding with operators and local municipalities, the MTC is responsible for the administration of sales tax revenue derived from the TDA.

#### **D. Budgetary Accounting**

Enabling legislation and adopted policies and procedures provide that MTC approve an annual budget. Annual budgets are adopted on a basis consistent with Accounting Principles Generally Accepted in the United States of America for all governmental and proprietary funds. MTC also approves a life of project budget whenever new capital projects are approved. MTC presents a preliminary budget in May. The final budget is presented in June. MTC conducts hearings for discussion of the proposed annual budget and at the conclusion of the hearings, but not later than June 30, adopts the final budget for the following fiscal year. All appropriations lapse at fiscal year end. The appropriated budget is prepared by fund, project and expense type. The legal level of control is at the fund level and the governing body must approve additional appropriations. Budget amendments are recommended when needed.

The MTC employs the following practices and procedures in establishing budgetary data on a basis consistent with Accounting Principles Generally Accepted in the United States of America as reflected in the basic financial statements:

- Annual budgets are adopted on the modified accrual basis of accounting for governmental fund types. These include the general fund and special revenue funds.
- Annual budgets are adopted on the accrual basis for the proprietary fund types.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Notes to Financial Statements**

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#### **E. Encumbrances**

Encumbrance accounting is employed in the general and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. These commitments will be recognized in subsequent year appropriations.

#### **F. Cash and Investments**

MTC applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which requires investments to be recorded at fair value with the difference between cost and fair value recorded as an unrealized gain/loss. Investments are stated at fair value based upon quoted market prices. Net increases or decreases in the fair value of investments are shown in the Statements of Revenues, Expenditures and Changes in Fund Balance for all governmental fund types and in the Statements of Revenues, Expenditures and Changes in Fund Net Assets for the proprietary funds.

##### ***Cash and cash equivalents***

For the purpose of the Statement of Cash Flows, MTC considers all highly liquid investments with a maturity of three months or less at date of purchase to be cash and cash equivalents. Deposits in the investment pool of the County of Alameda are presented as cash and cash equivalents.

##### ***Restricted investments***

Certain investments are classified as restricted on the Statement of Net Assets because their use is limited externally by applicable bond covenants, laws or regulations or there exists an imposed restriction through enabling legislation.

#### **G. Capital Assets**

Capital assets, which include buildings and improvements, office furniture and equipment, leased equipment, automobiles and callboxes, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost.

Capital assets used in governmental fund types of the MTC are recorded in the general fixed asset account group at cost and are not reported in the balance sheet of the governmental funds. Assets in the general fixed asset account group are not depreciated. Capital assets used in the proprietary funds are recorded at cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.



**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Notes to Financial Statements**

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Depreciation is computed using the straight-line method that is based upon the estimated useful lives of individual capital assets. The estimated useful lives of capital assets are as follows:

	<u>Years</u>
Buildings and improvements	10 - 45
Office furniture and equipment	3 - 10
Leased equipment	5
Automobiles	3
Callboxes	10

**H. Net Assets**

Net assets represent the MTC's proprietary fund's residual interest in assets after liabilities are deducted and consist of three sections: Invested in capital assets, net of related debt, restricted and unrestricted. Net assets are reported as restricted when constraints are imposed by third parties or enabling legislation.

The following shows a reconciliation of the BATA fund components of total equity for June 30, 2002 to net assets balances for the same period.

	<u>Contributed Capital</u>			
	<b>Northern Unit</b>	<b>Southern Unit</b>	<b>Retained Earnings</b>	<b>Total Fund Equity</b>
<b>Balances, June 30, 2001</b>	\$ 179,470,944	\$ 187,286,657	\$ 205,778,731	\$ 572,536,332
Net income before capital transfers	-	-	118,918,693	118,918,693
Transfers to Caltrans	(179,470,944)	(102,548,396)	(18,328,058)	(300,347,398)
Transfers to other agencies	-	(633,987)	(256,719)	(890,706)
<b>Balances, June 30, 2002</b>	<u>\$ -</u>	<u>\$ 84,104,274</u>	<u>\$ 306,112,647</u>	<u>\$ 390,216,921</u>

**Reported as:**

**2002**

Invested in capital assets, net of related debt	4,069
Restricted net assets	125,000,000
Unrestricted net assets	<u>265,212,852</u>
Total net assets	<u>\$ 390,216,921</u>

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Notes to Financial Statements**

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#### **I. Retirement Plans**

MTC provides a defined benefit pension plan, the Miscellaneous Plan of Metropolitan Transportation Commission (the “Plan”) which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees’ Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers in the State.

#### **J. Postretirement Health Benefits**

The MTC pays certain health care insurance premiums for retired employees. Employees may become eligible for these benefits if they reach normal retirement age while working for the MTC. The number of participants eligible to receive benefits was 29 for the year ended June 30, 2002. The cost of retiree health care insurance premiums is recognized as an expense as premiums are paid. For the years ended June 30, 2002 and 2001, those costs totaled \$120,377 and \$99,109, respectively.

#### **K. Compensated Absences**

MTC’s regular staff employees accumulate vacation pay and sick leave pay based on the agreement with the Committee for Staff Representation pursuant to the Meyers–Milius–Brown Act. A liability exists for accumulated vacation and sick leave. Unused accumulated sick and vacation leave is paid at the time of employment termination up to a maximum of 400 hours for vacation and 240 hours for sick leave per employee.

#### **L. Maintenance funding due from Caltrans**

In accordance with Amendment No. 2 to the cooperative agreement between BATA and Caltrans, Caltrans agreed to reimburse BATA for tow services financed with toll funds from fiscal year 1993 through fiscal year 2001. The reimbursement receivable totals \$22,027,480 at June 30, 2002. The settlement of the maintenance funding due from the State is to be provided in the form of an offset of capital expenses incurred and to be incurred on the Richmond-San Rafael Bridge Trestle Project and Richmond-San Rafael Bridge Deck project. For the year ended June 30, 2002, Caltrans incurred \$15,506,163 in expenses as an offset against the settlement.

#### **M. Toll revenues collected by Caltrans**

With the exception of the seismic retrofit charge, Caltrans collects all toll revenues from the operation of the bridges. BATA recognizes toll revenue as amounts are earned from vehicle utilization of the toll bridges.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Notes to Financial Statements**

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**N. Operating expenditures incurred by Caltrans**

In accordance with the Cooperating Agreement between BATA and Caltrans, BATA reimburses Caltrans for certain costs incurred for bridge operating expenditures.

**O. Transfers to Caltrans for capital expenditures**

In accordance with the Cooperative Agreement between BATA and Caltrans, BATA reimburses Caltrans for certain costs incurred for bridge capital expenditures.

**P. Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

Investments are stated at fair value. As a matter of policy, MTC holds investments to maturity with the objective of preservation and safeguarding of capital until the date of anticipated need.

At June 30, 2002, the MTC's carrying amount of cash in checking and money market accounts was \$151,888,694 while the bank balance was \$152,747,004 with the difference represented primarily by outstanding checks. Of the bank balances at June 30, 2002, \$393,374 was insured by federal depository insurance or collateralized by securities held by MTC's agent in MTC's name and an amount of \$151,495,320 is required by Section 53652 of the California Government Code to be collateralized 110% by the pledging financial institutions, except promissory notes secured by first trust deeds, or letters of credit issued by the Federal Home Loan Bank of San Francisco which require collateral levels of 150% and 105%, respectively. Such collateral is not required to be in MTC's name.

The California Government Code requires California banking institutions to collateralize deposits of public funds by pledging government securities as collateral. Such collateralization of public funds is accomplished by pooling. The market value of pledged securities must be in accordance with Title 5, Division 2, Chapter 4, Article 2 of the Government Code for the State of California. California law also allows financial institutions to collateralize public fund deposits by pledging first trust deed mortgage notes having a value of 150% of a governmental unit's total deposits. The MTC may waive collateral requirements for deposits that are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Notes to Financial Statements**

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The MTC invests its available cash under the prudent investor rule. The prudent investor rule states, in essence, that “in investing...property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstance then prevailing, which people of prudence, discretion, and intelligence exercise in the management of their own affairs....” This policy affords the MTC a broad spectrum of investment opportunities as long as the investment is deemed prudent and is authorized under the California Government Code Sections 53600, et seq. Investments may be made within the following approved instrument guidelines:

- Securities of the U.S. Government or its agencies
- Securities of the State of California or its agencies
- Certificates of deposit (or time deposits) placed with commercial banks and/or savings and loans
- Bankers’ acceptances
- Authorized pooled investment programs
- Commercial paper
- Corporate notes
- Municipal bonds
- Mutual funds
- Asset backed securities
- Other investment types authorized by state law and not prohibited in the MTC investment policy

BATA has covenanted to maintain an operations and maintenance reserve of two times the adopted operations and maintenance budget, as well as an extraordinary reserve of \$50 million. At June 30, 2002, BATA had restricted \$75 million as the restricted operations and maintenance reserve and \$50 million as the restricted extraordinary costs reserve. These amounts are shown as restricted long-term investments for the year ended June 30, 2002.

As required by GASB Statement No. 3, the MTC has categorized its investments to give an indication of the level of risk assumed based on the following description:

Category 1: Insured or registered, or securities held by the bank’s trust department or its agent in the MTC’s name.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Notes to Financial Statements**

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Category 2: Uninsured or unregistered, with securities held by the counter-party's trust department or agent in the MTC's name.

Category 3: Uninsured or unregistered, with securities held by the counter-party, or by its trust department or agent but not in the MTC's name.

Investments at June 30, 2002 consisted of the following :

	Categories			Fair Value
	1	2	3	
U.S. Agency Securities	\$ 674,223,130	\$ -	\$ -	\$ 674,223,130
Total	<u>\$ 674,223,130</u>	<u>\$ -</u>	<u>\$ -</u>	674,223,130
Investments not subject to categorization:				
Investment Pool				<u>50,575,306</u>
Total Investments				<u>\$ 724,798,436</u>

The U.S. Agency Securities were insured or registered or the securities were held by the MTC or its agent in the MTC's name and are accordingly shown as Category 1 credit risk investments.

The MTC holds a position in the investment pool of County of Alameda in the amount of \$50,575,304. These funds are not registered with the Securities and Exchange Commission (SEC). The County of Alameda is restricted by state code in the types of investments it can make. Further, the County Treasurer has a written investment policy approved by the Board of Supervisors and also has an investment committee which performs regulatory oversight for its pool as required by California Government Code Section 27134. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, reverse repurchase agreements, and the State Treasurer's investment pool.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Notes to Financial Statements**

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A reconciliation of Cash and Investments as shown on the Statement of Net Assets for all funds at June 30, 2002 is as follows:

Cash	\$ 151,888,694
Investments	<u>724,798,436</u>
Total cash and investments	<u><u>\$ 876,687,130</u></u>
Reported as:	
Unrestricted cash and cash equivalents	\$ 355,041,570
Unrestricted investments	<u>396,645,560</u>
Total unrestricted cash and investments	<u>751,687,130</u>
Restricted cash and cash equivalents	-
Restricted investments	<u>125,000,000</u>
Total restricted cash and investments	<u>125,000,000</u>
Total cash and investments	<u><u>\$ 876,687,130</u></u>



# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2002

### Notes to Financial Statements

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### 3. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2002 is as follows:

#### Governmental activities

	Beginning Balance July 1, 2001	Additions	Retirements	Ending Balance June 30, 2002
Capital assets, being depreciated				
Buildings and improvements	\$ 4,578,057	\$ 120,751	\$ -	\$ 4,698,808
Office furniture and equipment	2,698,664	66,329	-	2,764,993
Leased equipment	63,797	83,430	(63,797)	83,430
Automobiles	163,063	22,485	-	185,548
Total capital assets being depreciated	7,503,581	292,995	(63,797)	7,732,779
Less accumulated depreciation for				
Buildings and improvements	1,731,203	170,213	-	1,901,416
Office furniture and equipment	2,003,563	197,433	-	2,200,996
Leased equipment	44,658	12,166	(44,658)	12,166
Automobiles	128,898	23,452	-	152,350
Total accumulated depreciation	3,908,322	403,264	(44,658)	4,266,928
Total capital assets, net	\$ 3,595,259	\$ (110,269)	\$ (19,139)	\$ 3,465,851

#### Business-type activities

	Beginning Balance July 1, 2001	Additions	Retirements	Ending Balance June 30, 2002
Capital assets, being depreciated				
Office furniture and equipment	\$ 1,040,198	\$ 35,264	\$ -	\$ 1,075,462
Callboxes	9,144,800	-	-	9,144,800
Total capital assets being depreciated	10,184,998	35,264	-	10,220,262
Less accumulated depreciation for				
Office furniture and equipment	798,704	92,450	-	891,154
Callboxes	7,579,450	475,927	-	8,055,377
Total accumulated depreciation	8,378,154	568,377	-	8,946,531
Total capital assets, net	\$ 1,806,844	\$ (533,113)	\$ -	\$ 1,273,731

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Notes to Financial Statements**

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**4. LONG-TERM DEBT**

General Revenue Bonds were issued during May 2001 to (i) finance the cost of the design and construction of eligible projects, including capital improvements and Regional Measure I projects for the Bay Area Bridges, (ii) to finance a Reserve Fund for the Series 2001 General Revenue Bonds, and (iii) pay costs incurred in connection with the issuance of the Series 2001 General Revenue Bonds.

**Business-type activities**

	<b>Issue Date</b>	<b>Interest Rate</b>	<b>Calendar Maturity Year</b>	<b>Original Amount</b>
2001 Revenue Bond Series A	5/24/2001	4.09%-4.10% *	2036	\$ 150,000,000
2001 Revenue Bond Series B	5/24/2001	4.12% *	2029	75,000,000
2001 Revenue Bond Series C	5/24/2001	4.11% *	2025	75,000,000
2001 Revenue Bond Series D	5/24/2001	4.83% **	2014	100,000,000
				<u>400,000,000</u>

Unamortized bond premium

Net long-term debt

\* Series A, B and C are issued as variable rate demand bonds with a floating-to-fixed interest rate swap transaction in place. Refer to interest rate swap description within this footnote. Of the \$150,000,000 Series A bonds, \$75,000,000 was swapped to a fixed rate of 4.09% and \$75,000,000 was swapped to a fixed rate of 4.10%.

\*\* Series D bonds are issued as fixed rate bonds with a final maturity of 2018. The bonds carry interest rates ranging from 3.850% in 2006 to 5.120% in 2018, for a true interest cost of 4.83%.

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<b>Beginning Balance July 1, 2001</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance June 30, 2002</b>	<b>Due Within One Year</b>
\$ 150,000,000	\$ -	-	\$ 150,000,000	\$ -
75,000,000	-	-	75,000,000	-
75,000,000	-	-	75,000,000	-
100,000,000	-	-	100,000,000	-
400,000,000	-	-	400,000,000	\$ -
1,412,776	-	83,927	1,328,849	
\$ 401,412,776	\$ -	\$ 83,927	\$ 401,328,849	

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2002

### Notes to Financial Statements

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#### Annual funding requirements

The annual funding requirements (principal and interest) for the long-term debt outstanding of the business-type activities at June 30, 2002 are as follows:

Business-type activities			
Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
2003	\$ -	\$ 17,161,161	\$ 17,161,161
2004	-	17,161,161	17,161,161
2005	-	17,161,161	17,161,161
2006	5,785,000	17,122,595	22,907,595
2007	6,015,000	16,889,661	22,904,661
2008-2012	34,285,000	80,141,789	114,426,789
2013-2017	43,800,000	70,601,968	114,401,968
2018-2022	56,115,000	58,964,858	115,079,858
2023-2027	71,500,000	46,038,057	117,538,057
2028-2032	91,400,000	29,636,731	121,036,731
2033-2036	91,100,000	8,935,973	100,035,973
	<u>\$ 400,000,000</u>	<u>\$ 379,815,115</u>	<u>\$ 779,815,115</u>

#### 2001 Series ABCD General Revenue Bonds

The 2001 Bay Area Toll Authority Bridge Toll Revenue Bonds are payable solely from “Pledged Revenues.” The Master Indenture, dated as of May 1, 2001 defines Pledged Revenues as all bridge toll revenue as well as revenue and all amounts held by the Trustee in each fund and account established under the indenture except for amounts in the Rebate Fund and amounts on deposit in any fund or account established to hold the proceeds of a drawing on any Liquidity Instrument.

BATA has covenanted to maintain bridge toll rates sufficient to meet operations, maintenance and debt service costs. In addition, BATA will seek authority from the State legislature if net toll revenue is less than 1.0 times “fixed charges” as defined by the Master indenture, or the sum of net toll revenue and amounts in the operations and maintenance reserve is less than 1.25 times fixed charges (see detail in Schedule 5).

BATA has also covenanted in the 2001 Indenture that no additional bonds shall be issued, unless the additional bonds are issued for refunding of 2001 Series bond purposes, or Net Revenue equates to greater than 150% of the combined maximum annual debt service, including the 2001 bonds and additional bonds.

BATA has covenanted to maintain an operations and maintenance reserve of two times the adopted operations and maintenance budget, as well as an extraordinary reserve of \$50 million. At June 30, 2002, BATA had restricted \$75 million as the restricted operations and maintenance reserve and \$50 million as the restricted extraordinary loss reserve. These amounts are shown as restricted long-term investments for the year ended June 30, 2002.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2002

### Notes to Financial Statements

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The 2001 bonds are not an obligation of the MTC primary government or any component unit other than BATA.

#### Interest Rate and Forward Interest Rate Swap Agreements

In January 2002, BATA completed a floating-to-fixed rate swap transaction with a notional value of \$300 million notional value. Counterparties to the transaction are Ambac for \$150 million, Salomon Smith Barney for \$75 million and Morgan Stanley for \$75 million. During the 35-year term of the swap, BATA will pay each respective counterparty based on a fixed rate ranging from 4.09% to 4.12% while receiving a floating rate payment equivalent to the actual floating rate payment in years 1 through 4 and a floating rate payment based on 65% of the one-month LIBOR index in years 5 through 35.

In May 2002, BATA approved a forward contract with Ambac to swap variable-to-fixed rate bonds to be issued by March 2003 in a notional amount of \$200 million. The contract calls for BATA to pay Ambac a fixed rate of 4.139%. In exchange, BATA will receive a variable rate payment based on 65% of the one-month LIBOR rate for the life of the financing.

BATA entered into these transactions as a means of controlling long-term debt costs while maintaining a hedge against increases in short-term rates. BATA is aware that swap transactions contain certain associated risks not traditionally associated with fixed-rate issues, particularly the risk of counterparty failure. However, BATA has structured the transaction with reasonable safeguards, including downgrade and collateral provisions required of all counterparties, insurance guaranteeing performance on the Ambac components, as well as BATA's unilateral ability to cancel any transaction with 15 days notice.

Cancellation of any or all of the swap transactions is subject to a market value calculation at the time of termination. The market value calculation is used to determine what, if any, termination payment is due from or (to) the counterparty. At June 30, 2002 the financial and investment advisory firm of Public Financial Management (PFM) established the termination value as of June 30, 2002 as follows:

<u>Notional Value</u>	<u>Counterparty</u>	<u>Fixed Rate</u>	<u>Value due from / (to) counterparty</u>
\$ 75 million	Ambac	4.110%	\$ (2,735,559)
\$ 75 million	Ambac	4.120%	(2,631,306)
\$ 75 million	Morgan Stanley	4.090%	(2,358,965)
\$ 75 million	Salomon Smith Barney	4.100%	(2,466,787)
\$ 200 million	Ambac	4.139%	(4,965,053)
			<u>\$ (15,157,670)</u>

BATA's intent is to maintain the swap transactions for the life of the financing. In accordance with Governmental Accounting Standards Board Statement No. 20, BATA has not adopted Financial Accounting Standards Board Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and has not recorded the termination value due to the counterparties.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Notes to Financial Statements**

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**5. LEASES**

**Capital Leases**

The MTC leases certain equipment under capital leases expiring in MTC's fiscal year end 2007. The assets and liabilities under this capital lease are recorded at the present value of the minimum lease payments. Minimum future lease payments under the capital lease are comprised of the following:

**Governmental Activities**

<u>Year Ending June 30</u>	<u>Amount</u>
2003	\$ 22,597
2004	22,597
2005	22,597
2006	9,968
2007	<u>7,350</u>
Total	85,109
Less interest amounts	<u>(13,170)</u>
Present value of net minimum lease payments	<u><u>\$ 71,939</u></u>

**Operating Leases**

MTC conducts some of its operations from office space that is leased under a six-year operating lease which commenced on May 5, 1999. Monthly rent under this lease for the year ended June 30, 2002 was \$28,860.

Future minimum rental payments required under the above operating leases as of June 30, 2002 are as follows:

**Governmental Activities**

<u>Year Ending June 30</u>	<u>Amount</u>
2003	\$ 346,324
2004	361,061
2005	<u>361,061</u>
Total	<u><u>\$ 1,068,446</u></u>



**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Notes to Financial Statements**

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**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2002 is as follows:

Transfer from:	Transfer to:				
	General Fund	5% Transit Transfers	90% Regional Rail	AB664 Bridge Toll	Total
STP Exchange	\$ 1,101,504	\$ -	\$ -	\$ -	\$ 1,101,504
STA	7,760,609	-	-	-	7,760,609
BATA	1,589,270	1,169,742	10,007,625	12,482,234	25,248,871
SAFE	1,763,935	-	-	-	1,763,935
Total	\$ 12,215,318	\$ 1,169,742	\$ 10,007,625	\$ 12,482,234	\$ 35,874,919

**Due to/from other funds**

Receivable Fund	Payable Fund	Amount
General Fund	BATA	\$ 108,207
General Fund	STA	\$ 493,259
General Fund	STP Exchange	\$ 62,698
SAFE	General Fund	\$ 824,321

**7. EMPLOYEES' RETIREMENT PLAN AND POST-RETIREMENT BENEFITS**

**Plan Description**

The MTC's defined benefit pension plan, the Miscellaneous Plan of Metropolitan Transportation Commission ("the Plan"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The MTC selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento California 95814.

**Funding Policy**

Members in the Plan are required to contribute 7% of their annual covered salary which is established by California state statute. However, due to a collective bargaining agreement, the MTC has a legal obligation to contribute this 7% on behalf of the covered employees. Therefore, employees have no obligation to contribute to the Plan. The MTC

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2002

### Notes to Financial Statements

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is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its employees. The actuarial methods and assumptions are those adopted and amended by the CalPERS Board of Administration.

#### Annual Pension Cost

For the years ended June 30, 2002 and 2001, the MTC's actual and required contributions was \$0. The required contribution for the year ended June 30, 2002 was determined as part of the June 30, 1998 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included a) 8.25% investment rate of return (net of administrative expenses) and (b) projected salary increases that vary by duration of service. Both (a) and (b) include an inflation component of 3.5%. The actuarial value of the Plan's asset was determined using a technique that smoothes the effect of short-term volatility in market value of investments over a three-year period depending on the size of investment gains and/or losses. The Plan's unfunded actuarial excess asset is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 1998 was 30 years.

The following table shows the MTC's required contributions and the percentage contributed for the current year and each of the two preceding years:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
6/30/2000	-	100%
6/30/2001	-	100%
6/30/2002	-	100%

Funding progress information for the MTC for 2002 is not available. The MTC's funding progress information as of June 30, 2001 is illustrated as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Excess of Assets over AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Excess as a Percentage of Covered Payroll</u>
June 30, 1999	\$ 39,399,271	\$ 26,993,343	\$ 12,405,928	146.0%	\$ 7,268,236	170.7%
June 30, 2000	43,765,185	29,898,463	13,866,722	146.4%	8,283,503	167.4%
June 30, 2001	45,552,447	32,924,078	12,628,369	138.4%	9,035,190	139.8%

## 8. COMMITMENTS AND CONTINGENCIES

The MTC's administered projects are subject to audit by the respective grantors. The final determination of allowable project costs can be made only after the grantor's audits are completed and final rulings by the grantor's administrative departments are obtained. Disallowed expenditures, if any, must be borne by nonfederal funds. In the opinion of the MTC's management, such disallowances, if any, would not have a material adverse effect on the accompanying government-wide financial statements.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2002**

### **Notes to Financial Statements**

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The MTC is involved in various claims and litigation that is considered normal to the MTC's regional planning activities. In the opinion of the MTC's management, the ultimate resolution of these matters will not have a material adverse effect on the MTC's government-wide financial position.

#### **Commitment and loan to Bay Area Rapid Transit District**

On March 11, 1999, MTC, the San Mateo County Transit District (Samtrans) and the Bay Area Rapid Transit District (BART) (collectively the Parties) entered into a Memorandum of Understanding (MOU) defining the terms and conditions by which additional funds would be made available for the SFO Extension Project (the Project). The Parties agreed to provide a total of \$198.5 million to the Project by September 1, 1999, with BART providing \$50 million, Samtrans providing \$72 million, and MTC providing \$76.5 million.

The MTC's commitment included a \$60 million loan (the Loan) for the Project's cash flow requirements and \$16.5 million for additional budget items. In addition, MTC agreed to pay for interest and financing costs not to exceed \$11.8 million, for a total commitment of \$88.3 million.

To fund the Loan, MTC has agreed to advance \$60 million from the East Bay Rail Extension Reserve Account (the East Bay Account) for Project cash flows. BART will repay this advance without interest, upon authorization and receipt of federal funds anticipated pursuant to BART's full funding grant agreement with the U.S. Department of Transportation (the FTA grant) upon receipt. MTC further agrees to allocate \$16.5 million to BART from the West Bay Rail Extension Reserve Account (the West Bay Account) for budget items, and utilize a combination of bridge toll revenues and other sources to pay interest and financing costs up to \$11.8 million.

On September 1, 1999, the San Francisco Bay Area Transit Financing Authority (the Authority), a joint powers agency, created pursuant to a joint exercise of powers agreement between BART and MTC, issued \$65,680,000 in Bridge Toll Notes (the Notes). The Notes are limited obligations of the Authority, payable from and secured solely by a pledge of bridge toll revenues, from the East Bay Account, allocated to BART by MTC. The Notes are insured and are to be paid in semi-annual installments until February 1, 2007 at interest rates ranging from 5.25% to 5.75%. Financial statements of the Authority can be obtained from BART, 800 Madison Avenue, Oakland, California 94607.

On February 12, 2001, MTC and BART executed an Acknowledgement Agreement (the Agreement) which modified the repayment terms of the Loan. Under the Agreement, MTC has acknowledged that the FTA grant proceeds, originally pledged to repay the Loan, will be pledged and assigned in favor of bonds (the Bonds) issued by the Association of Bay Area Governments to refinance the Notes and finance the Project. The Agreement confirms BART's obligation to repay the Loan, as set forth in the MOU; however, such repayment will be made from the general resources of BART, and, subject to the prior pledge in favor of the Bonds.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2002**  
**Notes to Financial Statements**

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The following schedule provides a summary of MTC's remaining bridge toll allocation commitment to BART:

**Governmental Activities**

	Regional Measure I <u>East Bay</u>	Regional Measure I <u>West Bay</u>	<u>Total</u>
<u>Year Ending June 30</u>			
2003	\$ 7,000,000	\$ 3,000,000	\$ 10,000,000
2004	7,000,000	3,000,000	10,000,000
2005	7,000,000	3,000,000	10,000,000
2006	7,000,000	3,000,000	10,000,000
2007	301,000	3,000,000	3,301,000
Total	<u>\$ 28,301,000</u>	<u>\$ 15,000,000</u>	<u>\$ 43,301,000</u>

During the year ended June 30, 2002, MTC paid \$10,000,000 to BART increasing the total loan made to BART to \$32,440,000.

**9. RISK MANAGEMENT**

MTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The MTC purchases commercial insurance through an insurance agent, who obtains the appropriate insurance coverage needed by the MTC from insurance companies. To date, there have been no significant reductions in any of the MTC's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the past three years.

## **SUPPLEMENTARY INFORMATION**

**Metropolitan Transportation Commission**  
**Schedule of Expenditures – Governmental General Fund**  
**For the Year Ended June 30, 2002**

**Schedule 1**

Expenditures by natural classification:

Salaries & benefits	\$ 11,702,059
Travel	298,853
Professional fees	30,781,329
Overhead	1,524,053
Printing & Reproduction	352,969
Other	<u>836,947</u>

Reported as general government expenditures  
in the Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds

\$ 45,496,210



**Metropolitan Transportation Commission**  
**Schedule of Overhead, Salaries and Benefit Expense -**  
**Governmental General Fund**  
**For the Year Ended June 30, 2002**

**Schedule 2**

	Direct Costs	Indirect Costs	Total
Salaries	\$ 7,087,076	\$ 1,530,982	\$ 8,618,058
Benefits	2,605,464	478,537	3,084,001
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$ 9,692,540</b>	<b>\$ 2,009,519</b>	<b>\$ 11,702,059</b>
Reimbursable overhead:			
Printing and reprographics		\$ 62,466	
Computer services		436,302	
Conference and training		64,415	
Auto expense		5,964	
Travel expense/local mileage		10,957	
Transit tickets		8,737	
Meeting room/office rent		181,075	
Office supplies		93,956	
Equipment Rental		34,598	
Equipment maintenance and repair		11,491	
Mailing and postage		177,538	
Communications		91,465	
Insurance		113,529	
Subscriptions		25,258	
Library acquisitions		11,132	
Personnel recruitment		81,380	
Public hearings		20,726	
County auditor		30,721	
Press clippings		-	
Provide Graphic Services		801	
Law library		20,779	
Parking		18,931	
Legislative analysis services/supplies		151	
RAFC maintenance - Third floor		20,187	
Janitorial services		37,920	
Newswire services		4,578	
Utilities		64,435	
Storage rental		12,235	
Advertisement/legal notices		16,760	
Advisory committees		10,300	
Miscellaneous		9,999	
Audio Reproduction/Supply		1,491	
Equipment less than \$5,000 in cost		62,509	
Memberships		74,004	
Subtotal		1,816,790	
Under absorbed for year ended June 30, 2002		(962,873)	
Carryforward provision		670,136	
Total indirect costs excluding depreciation expense		1,524,053	
Depreciation expense		388,464	
Total indirect costs		<u>\$ 1,912,517</u>	

**Metropolitan Transportation Commission**  
**Schedule of Expenditures - Federal Highway Administration Grant**  
**No. CA-81-2001 (06)**  
**For the Year Ended June 30, 2002**

**Schedule 3**

	ABAG	MTC	Total
<b>Authorized expenditures</b>			
Federal	\$ 786,969	\$ 6,154,554	\$ 6,941,523
Local Match	101,960	797,388	899,348
Total authorized expenditures	888,929	6,951,942	7,840,871
<b>Actual Expenditures *</b>			
ABAG	786,969		786,969
MTC			
<i>Program No. Program Name</i>			
1111 Support the Commission		184,492	184,492
1112 Implement Public Information Program		562,000	562,000
1114 Support advisory committees		65,000	65,000
1121 Develop and produce the RTP		312,000	312,000
1122 Travel models and data		362,000	362,000
1123 Corridor Studies		98,461	98,461
1124 Support Airport, Seaport Freight Planning Committees		12,500	12,500
1131 Legislative Program		162,000	162,000
1154 Graphics		289,312	289,312
1155 Computer support		677,730	677,730
1156 Library services		112,000	112,000
1211 Define and implement corridor-level operations strategies		21,492	21,492
1212 Develop MTS performance measures		112,000	112,000
1213 Implement Freeway Management program		83,030	83,030
1221 Implement TransLink		462,000	462,000
1222 Regional rideshare program		57,500	57,500
1224 Implement regional traveler info systems		312,000	312,000
1225 Transit Trip planning		112,000	112,000
1227 Coordination projects		162,000	162,000
1229 Refine regional transportation emergency response program		67,500	67,500
1233 Improve pavement management system (PMS)		283,266	283,266
1234 Support partners' efforts to improve the arterial system		12,500	12,500
1241 Develop and implement plans		112,000	112,000
1242 Develop regional architecture		57,500	57,500
1243 Build regional ITS capability		12,500	12,500
1311 Assist counties		112,000	112,000
1312 Support Title VI and Environmental Justice		29,000	29,000
1411 Prepare EIR for RTP		35,129	35,129
1511 Financial analysis and planning		112,000	112,000
1512 Federal programming, monitoring and TIP development		512,000	512,000
1514 Administer transit assistance		32,717	32,717
1515 State programming and project monitoring		278,345	278,345
1611 Implement Transportation for Livable Communities initiative		179,000	179,000
Total Expenditures	786,969	5,994,974	6,781,943
Balance of Federal Highway Administration Grant	\$ -	\$ 159,580	\$ 159,580

\* Expenditures reported at federal reimbursement rate (88.53%)

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenses and Changes in**  
**Fund Net Assets – SAFE Proprietary Fund – By Program**  
**For the Year Ended June 30, 2002**

**Schedule 4**

	Callbox Program	Freeway Service Patrol Program	Total
<b>Operating revenues</b>			
Department of Motor Vehicles registration fees	\$ 5,897,408	\$ -	\$ 5,897,408
Other operating revenues	3,809	2,779	6,588
Total operating revenues	5,901,217	2,779	5,903,996
<b>Operating expenses</b>			
Towing contracts	-	5,781,261	5,781,261
Professional fees	1,094,198	149,251	1,243,449
Repairs and maintenance	868,047	280,330	1,148,377
Communications charges	246,023	96,905	342,928
Depreciation and amortization	477,708	88,640	566,348
Other Operating Expenses	24,881	144,083	168,964
Total Operating Expenses	2,710,857	6,540,470	9,251,327
Operating income / (loss)	3,190,360	(6,537,691)	(3,347,331)
<b>Unrestricted non-operating revenues / (expenses)</b>			
Interest Income	479,994	-	479,994
Caltrans operating Grants	177,140	5,024,613	5,201,753
Federal operating grants	-	1,163,811	1,163,811
Operating grants from other agencies	-	101,224	101,224
Loss on sale of investments	(15,498)	-	(15,498)
Total non-operating revenues, net	641,636	6,289,648	6,931,284
Income before operating and capital transfers	3,831,996	(248,043)	3,583,953
Transfers to MTC	(1,226,964)	(536,971)	(1,763,935)
Transfers between programs	(697,073)	697,073	-
Change in net assets	1,907,959	(87,941)	1,820,018
Total net assets - beginning	23,129,787	87,941	23,217,728
Total net assets - ending	\$ 25,037,746	\$ -	\$ 25,037,746

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets –**  
**SAFE Proprietary Fund – Call Program – By County**  
**For the Year Ended June 30, 2002**

	Alameda	Contra Costa	Marin	Napa
Revenues				
Department of Motor Vehicles				
registration fees	\$ 1,222,790	\$ 850,983	\$ 235,873	\$ 123,089
Caltrans operating grants	35,570	26,640	7,256	5,379
Investment earnings and other revenues	93,763	69,854	19,027	14,104
Total Revenues	1,352,123	947,477	262,156	142,572
Expenses	529,105	407,064	127,757	98,093
Income before operating and capital transfers	823,018	540,413	134,399	44,479
Interfund transfers	(479,180)	(298,899)	(107,162)	(37,256)
Change in net assets	343,838	241,514	27,237	7,223
Total net assets - beginning	4,990,575	3,086,434	(45,795)	(60,742)
Total net assets - ending	\$ 5,334,413	\$ 3,327,948	\$ (18,558)	\$ (53,519)

**Schedule 5**

San Francisco	San Mateo	Santa Clara	Solano	Sonoma	Total
\$ 484,525	\$ 691,989	\$ 1,481,267	\$ 348,570	\$ 458,322	\$ 5,897,408
3,450	22,783	44,957	15,832	15,273	177,140
9,048	59,742	121,204	41,513	40,050	468,305
497,023	774,514	1,647,428	405,915	513,645	6,542,853
57,659	358,018	710,143	200,597	222,451	2,710,857
439,364	416,496	937,285	205,318	291,194	3,831,996
(44,149)	(251,816)	(451,254)	(134,196)	(120,125)	(1,924,037)
395,215	164,680	486,031	71,122	171,069	1,907,959
3,052,600	2,616,747	7,456,098	(214,877)	2,248,747	23,129,787
\$ 3,447,815	\$ 2,781,427	\$ 7,942,129	\$ (143,755)	\$ 2,419,816	\$ 25,037,746

**Metropolitan Transportation Commission  
Schedule of Computations Demonstrating  
Bond Covenant Compliance – BATA Proprietary Fund  
For the Year Ended June 30, 2002**

**Schedule 6**

	<b>2002</b>	<b>2001</b>
<b>Revenue</b>		
Tolls	\$ 142,337,259	\$ 142,310,747
Interest	45,133,980	41,390,049
Other	2,487,880	2,500,984
Total revenue	189,959,119	186,201,780
<b>Operating expenses</b>		
Operating expenses	29,276,930	31,698,838
Services and charges	3,051,919	3,466,533
Depreciation	104,778	19,155
Total operating expenses	32,433,627	35,184,526
Net operating income	157,525,492	151,017,254
Debt service	13,357,928	1,327,465
Income before operating transfers	144,167,564	149,689,789
<b>Operating transfers</b>		
Metropolitan Transportation Commission Administrative Transfers	1,589,270	567,641
Metropolitan Transportation Commission Transit Transfers		
AB664 expenses	12,482,234	12,477,638
90% rail expenses	10,007,625	9,873,379
5% transit expenses	1,169,742	2,362,442
Total operating transfers	25,248,871	25,281,100
Net income before capital transfers	118,918,693	124,408,689
<b>Capital project transfers</b>		
Regional Measure 1 transfers	280,126,750	229,504,252
Bridge rehabilitation transfers	20,220,648	11,378,777
Transfers to other agencies	890,706	549,415
	301,238,104	241,432,444
<b>Other transfers</b>		
Return of capital contribution	-	(1,964,352)
Total transfers	301,238,104	243,396,796
Change in net assets	(182,319,411)	(118,988,107)
<b>Total net assets - beginning</b>	572,536,332	691,524,439
<b>Total net assets - ending</b>	\$ 390,216,921	\$ 572,536,332

**Metropolitan Transportation Commission**  
**Schedule of Computations Demonstrating**  
**Bond Covenant Compliance – BATA Proprietary Fund, *continued***  
**For the Year Ended June 30, 2002**

**Schedule 6**

	<b>2002</b>	<b>2001</b>
Net operating income	\$ 157,525,492	\$ 151,017,254
Debt service	\$ 13,357,928	\$ 1,327,465
Debt service coverage (1)	11.79	113.80
Debt service coverage - bond covenant requirement	1.00	1.00
Total revenue	\$ 189,959,119	\$ 186,201,780
Fixed charges (2)	\$ 71,040,426	\$ 61,793,091
Fixed charge coverage	2.67	3.01
Fixed charge coverage - bond covenant requirement	1.00	1.00
Total revenue plus operations & maintenance reserve	\$ 264,959,119	\$ 261,201,780
Fixed charges (2)	\$ 71,040,426	\$ 61,793,091
Fixed charge coverage	3.73	4.23
Fixed charge coverage - bond covenant requirement	1.25	1.25
Self insurance reserve	\$ 50,000,000	\$ 50,000,000
Self insurance reserve - bond covenant requirement	\$ 50,000,000	\$ 50,000,000
Operations & maintenance reserve	\$ 75,000,000	\$ 75,000,000
Operations & maintenance reserve - bond coverage requirement	\$ 64,867,254	\$ 70,369,052

(1) Based on debt outstanding from May 24, 2001.

(2) Fixed charges comprises operating expenses, debt service and operating transfers.



**Metropolitan Transportation Commission**  
**Schedule of Operating Revenue and Expenses – BATA Proprietary Fund –**  
**By Bridge**  
**For the Year Ended June 30, 2002**

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	<b>Carquinez Bridge</b>	<b>Benicia- Martinez Bridge</b>	<b>Antioch Bridge</b>
<b>Operating revenues</b>			
Toll revenues collected by Caltrans	\$ 26,948,118	\$ 21,490,553	\$ 3,369,095
Other operating revenues	381,022	334,860	33,507
Total operating revenues	27,329,140	21,825,413	3,402,602
<b>Operating expenses</b>			
Operating expenditures incurred by Caltrans	3,822,393	3,782,343	1,328,562
Services and charges	572,013	454,414	62,095
Depreciation	18,072	14,382	1,937
Total operating expenses	4,412,478	4,251,139	1,392,594
<b>Operating income</b>	<u>\$ 22,916,662</u>	<u>\$ 17,574,274</u>	<u>\$ 2,010,008</u>

**Schedule 7**

<b>Richmond- San Rafael Bridge</b>	<b>San Francisco Oakland Bay Bridges</b>	<b>San Mateo - Hayward Bridge</b>	<b>Dumbarton Bridge</b>	<b>Total</b>
\$ 14,544,342	\$ 48,549,475	\$ 15,887,162	\$ 11,548,514	\$ 142,337,259
200,480	544,841	197,794	200,389	1,892,893
14,744,822	49,094,316	16,084,956	11,748,903	144,230,152
2,507,419	12,180,120	3,153,070	2,503,023	29,276,930
322,573	1,058,317	322,719	259,788	3,051,919
10,184	38,884	11,788	9,531	104,778
2,840,176	13,277,321	3,487,577	2,772,342	32,433,627
\$ 11,904,646	\$ 35,816,995	\$ 12,597,379	\$ 8,976,561	\$ 111,796,525

**Metropolitan Transportation Commission**  
**Schedule of Toll Collection Summary – BATA Proprietary Fund – by Bridge**  
**(in Number of Vehicles)**  
**For the Year Ended June 30, 2002**

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	<b>San Francisco- Oakland Bay Bridge</b>	<b>San Mateo- Hayward Bridge</b>	<b>Dumbarton Bridge</b>
Autos, Trucks, Buses & Trailers			
2-Axle	44,400,553	13,316,606	10,616,457
3-Axle	158,378	97,112	46,277
4-Axle	105,571	64,376	22,932
5-Axle	444,310	242,181	90,234
6-Axle	7,868	4,776	2,099
7-Axle & More	864	929	862
Subtotal – Paid Vehicles	45,117,544	13,725,980	10,778,861
Free Vehicles	4,963,846	1,457,329	1,497,027
Total Vehicles	50,081,390	15,183,309	12,275,888

**Schedule 8**

<b>Carquinez Bridge</b>	<b>Benicia- Martinez Bridge</b>	<b>Antioch Bridge</b>	<b>Richmond- San Rafael Bridge</b>	<b>Toll Traffic Total</b>
20,751,595	17,017,887	2,139,963	12,061,562	120,304,623
146,802	151,995	41,117	79,512	721,193
105,657	114,205	27,806	60,145	500,692
651,231	437,972	115,031	262,518	2,243,477
21,489	10,003	1,443	4,056	51,734
993	694	63	330	4,735
21,677,767	17,732,756	2,325,423	12,468,123	123,826,454
1,457,944	679,705	154,892	568,699	10,779,442
23,135,711	18,412,461	2,480,315	13,036,822	134,605,896

**Metropolitan Transportation Commission**  
**Statement of Fiduciary Net Assets by Participant – TDA Fiduciary Fund**  
**June 30, 2002**

	County of Alameda	County of Contra Costa	County of Marin	County of Napa
<b>Assets</b>				
Restricted assets held by participating counties	\$ 5,977,958	\$ 16,336,086	\$ (1,032,705)	\$ 8,757,204
Due from Caltrans	-	-	813,715	-
Interest receivable	-	16,920	-	-
Total Net Assets	<u>\$ 5,977,958</u>	<u>\$ 16,353,006</u>	<u>\$ (218,990)</u>	<u>\$ 8,757,204</u>

**Metropolitan Transportation Commission**  
**Statement of Changes in Fiduciary Net Assets – TDA Fiduciary Fund**  
**June 30, 2002**

	County of Alameda	County of Contra Costa	County of Marin	County of Napa
<b>Additions</b>				
Revenues:				
Local Transportation Fund	\$ 56,343,360	\$ 30,538,171	\$ 9,732,118	\$ 4,876,446
Investment earnings:				
Interest	395,838	289,539	80,046	297,198
Total additions	56,739,198	30,827,710	9,812,164	5,173,644
<b>Deductions</b>				
Allocations:				
Other Agencies	67,471,003	32,725,449	11,104,018	4,865,541
Expenses:				
Administrative	1,991,523	1,110,823	356,736	195,058
Total deductions	69,462,526	33,836,272	11,460,754	5,060,599
<b>Change in Net Assets</b>	<u><u>\$(12,723,328)</u></u>	<u><u>\$ (3,008,562)</u></u>	<u><u>\$ (1,648,590)</u></u>	<u><u>\$ 113,045</u></u>

**Schedule 9**

City/County of San Francisco	County of San Mateo	County of Santa Clara	County of Solano	County of Sonoma	Total
\$ (2,408,052)	\$ (2,673,153)	\$ 422,704	\$ 11,018,623	\$ 16,386,259	\$ 52,784,924
-	-	-	-	-	813,715
-	-	-	-	-	16,920
\$ (2,408,052)	\$ (2,673,153)	\$ 422,704	\$ 11,018,623	\$ 16,386,259	\$ 53,615,559

**Schedule 10**

City/County of San Francisco	County of San Mateo	County of Santa Clara	County of Solano	County of Sonoma	Total
\$ 29,683,577	\$ 30,834,076	\$ 75,632,441	\$ 12,019,791	\$ 16,813,361	\$ 266,473,341
531,607	498,746	556,919	491,360	621,290	3,762,543
30,215,184	31,332,822	76,189,360	12,511,151	17,434,651	270,235,884
39,691,474	44,596,038	95,980,923	12,749,129	16,367,991	325,551,566
1,282,463	1,123,241	3,025,299	480,791	619,333	10,185,267
40,973,937	45,719,279	99,006,222	13,229,920	16,987,324	335,736,833
\$ (10,758,753)	\$ (14,386,457)	\$ (22,816,862)	\$ (718,769)	\$ 447,327	\$ (65,500,949)

# Commissioners

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*Association of Bay Area Governments*

## Sharon Wright

*Sonoma County and Cities*

## Shelia Young

*Cities of Alameda County*

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# Resources

## Public Information

Phone: 510.464.7787

Fax: 510.464.7848

e-mail: [info@mtc.ca.gov](mailto:info@mtc.ca.gov)

*Confirm upcoming meetings, request to be added to MTC's mail lists, apply for advisory committees and more.*

## Library

Phone: 510.464.7836

e-mail: [library@mtc.ca.gov](mailto:library@mtc.ca.gov)

Online catalog: [www.mtc.ca.gov/publications/catalog.htm](http://www.mtc.ca.gov/publications/catalog.htm)

*Offers more than 23,000 titles, including more than 900 serial titles; materials may be borrowed by employees of Bay Area public agencies and through interlibrary loans.*

## Key Publications

*All publications are available free of charge from the MTC Library; versions are also available on MTC's main Web site.*

**Bay Area Transportation:  
State of the System 2002**  
*Documents key performance indicators*

**Citizens' Guide to the Metropolitan  
Transportation Commission**  
*A guide to getting involved*

**Getting There on Transit**  
*Pocket-sized guide to riding the region's public transit network*

**Moving Costs: A Transportation Funding  
Guide for the San Francisco Bay Area**  
*Guide to plugging into MTC's funding process and applying for grants*

**Paratransit Resource Guide**  
*Service and contact information for special transit services for elderly and disabled travelers*

**Regional Transportation Plan**  
*MTC's long-range vision for the next 25 years, adopted in 2001*

**San Francisco Bay Area Toll Bridge Report**  
*Provides an accounting of expenditures from bridge toll revenues, and status reports on bridge construction projects*

**Street Talk**  
*Newsletter for public works directors on MTC's Pavement Management Program*

**Transactions**  
*MTC's flagship newsletter*

## Web Sites

Main MTC Site:

[www.mtc.ca.gov](http://www.mtc.ca.gov)

*Provides access to: meeting schedules; live audiocasts of meetings; meeting agendas and packet materials; daily transportation headlines from around the region; press releases; job listings and employment applications; online library catalog; reports, data and maps; funding opportunities; links to dozens of agencies, organizations and resources; and comment forms.*

Traveler Information:

[www.511.org](http://www.511.org)

*Provides links to information on traffic conditions, TransLink® fare card, FasTrak™ toll payment system, Bay Area Transit Information Page, TakeTransit online trip planner, and bicycling and ridesharing resources.*

Pavement Management System:

[www.mtcpgms.org](http://www.mtcpgms.org)

Bay Area Census:

[www.bayareacensus.ca.gov](http://www.bayareacensus.ca.gov)

## Human Resources

Job Hotline:

510.464.7818

[jobhotline@mtc.ca.gov](mailto:jobhotline@mtc.ca.gov)

*MTC recruits in the spring for two internship programs: summer college internships at MTC and summer high school internships at partner agencies.*

## Awards Program

*MTC sponsors an awards program honoring people and organizations who go the extra mile to improve Bay Area transportation. Nominations are solicited in the spring of even-numbered years, with forms posted on the main MTC Web site.*

## Community Art Program

*MTC presents rotating exhibits at its offices at the Joseph P. Bort MetroCenter.*

Contact: Brenda Kahn

510.464.7773

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**Metropolitan Transportation Commission**

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